

New York City and vicinity: Mostly cloudy. Chance of rain. Highest temperature near 70. Moderate southerly winds. Yesterday's temperature range to 9 p.m.: High 63, low 49.

# THE WALL STREET JOURNAL.

Copyright 1957 by Dow Jones & Company, Inc.

VOL. CL. NO. 64

★ ★

NEW YORK, MONDAY, SEPTEMBER 30, 1957

Entered as Second Class Matter at the Post Office, New York, N.Y.

10 CENTS in U.S. Territories and possessions

## Fiscal Reversal?

Transfer of Some U.S. Jobs to States Will Be Blueprinted This Week

Joint Unit Will Urge States Pay for Old-Age, Disaster Aid, Take Over Some Taxes

A Carrot for the Donkey

By ALAN L. OTTEN

Staff Reporter of THE WALL STREET JOURNAL  
WASHINGTON—This week in Chicago, a group of top Federal and state officials will try to begin reversing a major fiscal trend of the past quarter-century: The habit of state and local governments to turn to the Federal Treasury for help.

The group, headed by Treasury Secretary Robert B. Anderson and New Hampshire Governor Lane Dwinell, expects to reach hard and fast recommendations on a number of Federal spending programs which the states should start taking over. At the same time, the conferees expect to agree on a group of Federal taxes which can be surrendered to help states and cities finance their added spending load.

If all goes according to plan, the group, which meets at Chicago's Blackstone Hotel Thursday and Friday, will recommend that the states start taking over immediately all or part of these Federal programs for aiding states and cities: School lunch, natural disaster relief, vocational education, old-age assistance and water pollution abatement.

Bowling and Billiards

The group also will suggest that the Federal Government should turn over to either states or cities—or both—their tax fields: Local telephone service, theatre tickets and other admissions, cabaret and roof garden bills, club dues and initiation fees, use of coin-operated amusement devices, leases of safe deposit boxes, and use of bowling alleys and billiard and pool tables.

In all, the Federal spending now tabbed for state takeover would run around \$400 million a year. The taxes to be surrendered would bring in around \$50 million.

"The little bit extra on the tax side is needed to encourage the states," says one Federal official working on the problem. "It's like holding a carrot out in front of the donkey."

"These changes still are pretty small potatoes," concedes John H. Stambaugh, vice chancellor of Vanderbilt University who is serving as executive director of the Federal share of the work. "But this is just an initial exercise. The group will continue working. The idea is to set an example—to start with small doses, get that accepted, and show that the whole process of turning back the clock in this field isn't as painful as some people say it is."

Won't Be Automatic

It's true that some Washington officials take a guarded view of the prospects for agreement at Chicago. They indicate the Federal conferees are pretty well agreed, but fear there'll be something less than whole-hearted unanimity on the state side. Still, some positive result is expected.

Of course, even if this group of Federal and state officials reaches agreement this week, the changes won't follow automatically. Other governors besides the nine on the Federal-state committee will have to act on the recommendations; though such men as Democratic Gov. Daniel of Texas and Republican Gov. Stratton of Illinois are strong for trimming Federal functions, Northern Democrats such as Gov. Harriman of New York and Gov. Williams of Michigan seem equally firmly opposed.

Today a House Government Operations subcommittee headed by North Carolina's Democratic Rep. Fountain sets out on "round-the-country hearings to get views of state and local officials on taking over some Federal tasks. In any case, Congress and the state legislatures must act, and strong resistance is expected from some lawmakers.

Nonetheless, any agreement by the Federal-state group would represent the biggest step yet taken toward transferring some Federal functions to the states.

"Up until now, there's been a lot of talk and a lot of studies," declares Mr. Stambaugh. "We're not making any big, time-consuming studies. We're down to the specifics of what spending programs and what tax programs can be given up by the Federal Government."

Report in December

If, as expected, the group reaches agreement this week, its recommendations will be embodied in an initial report around December 1. The idea is to have the report ready in time for Mr. Eisenhower to include its recommendations in his January messages to Congress. The December 1 date also should permit the report to be put before the executive committee of the Governors' Conference when it meets in Hot Springs, Ark., December 5 and 6, so that governors can include appropriate recommendations in messages to state legislatures next year.

Of course, the Budget Bureau and Treasury will have to go over the recommendations again," says a Federal official working with the task force, "but there's every indication that these recommendations will be made the official Administration policy and sent to Congress."

Following that, there'll probably be a follow-up campaign by the President and key governors to overcome expected opposition from unions and "liberal" groups and from spokesmen for some large cities and some poorer states.

"People have been shouting states' rights," says one official. "Now we'll give them a chance to act on states' rights principles. We have to make these changes as difficult to oppose as the flag and motherhood."

Federal grants to state and local governments date back to the Civil War, when the U.S. helped set up land-grant colleges. But the trend really has ballooned since the mid-1930's. Federal grants have jumped from \$126 million in 1934 to an expected \$5 billion or so in the fiscal year that began in July.

Right now, the Federal Government provides grants for some 50 programs, including unemployment compensation, health research,

## What's News—

### Business and Finance

GENERAL ELECTRIC will lay off 2,000 employees at its aircraft gas turbine division near Cincinnati in the next several months. It ascribed the cutback to a drop in military business. Pentagon economy moves also are causing Grumman Aircraft, Bethpage, N.Y., to let out about 500 of its personnel—a 3% reduction.

In Birmingham, Ala., U.S. Steel's Tennessee Coal & Iron division is laying off 1,500 workers, blaming a lag in orders. At Fontana, Calif., Kaiser Steel Corp. furloughed 600 men for a week because of ingot shortages stemming from a labor dispute. On the other hand, General Motors Corp. started recalling 28,000 employees who had been idled as a result of strikes—now settled—at Fisher Body division plants in Marion, Ind., and Mansfield, Ohio.

Standard Oil Co. (New Jersey) plans one of the largest pieces of equity financing in history. It intends to offer \$250 million to \$300 million additional shares to its stockholders later this year. Proceeds of the proposed financing, the company said, will enable it to continue the large expenditures for capital equipment and oil exploration that have been in progress since the close of World War II. Outlays of this kind for 1957 were estimated at \$1.2 billion.

Steel producers say incoming orders as yet have failed to pick up satisfactorily from the summer doldrums. But they are counting on a fourth quarter upturn that will lift 1957 production above last year's 115 million tons and close to the record output of 117 million tons in 1955. A poll of research executives of more than a dozen big steel companies brought predictions of fourth quarter operations averaging 86.5%. That's nearly six points above the third quarter average.

Structural steel orders continued to decline in August, falling to the lowest level since autumn, 1953. Bookings for the first eight months were 23% below the like 1956 period. Checks with steel makers and fabricators indicate curtailed construction of industrial plants is the main reason for the drop.

Purchasing agents evince "renewed optimism that fourth quarter business will match earlier predictions," their trade association reported. Of the agents contacted in its September survey, 32% looked for an increase in production during the final three months of the year, 46% said volume would hold at current levels, while only 22% predicted declines. On new orders, 36% anticipated a pickup, 44% felt bookings would remain on an even keel, 20% envisaged decreases.

Rail freight traffic in the final quarter this year will slip 2.1% below the like 1956 period. That's the consensus of 13 regional advisory boards, consisting of 26,000 shippers and receivers of goods throughout the U.S. Declines from a year ago are foreseen for 17 key commodities, including drops of 12.8% in loadings of auto and trucks and of 7.8% for iron and steel.

American Motors Corp. is dropping the Nash and Hudson brand names on its 1958 lines and will market all its U.S.-built cars under the Rambler name. Its largest cars—a new series called Ambassador V-8—will have a 117-inch wheelbase, compared with 121 inches for Nash and Hudson '57 models.

West German army officers are in a state of near revolt against Defense Minister Franz Josef Strauss because of the way he summarily sacked a general, senior officers reported. The general was removed from his post as military personnel chief last week with an explanation that "civilian authority must prevail in all military questions."

The President will end his much-interrupted 27-day vacation at Newport, R. I., by flying back to Washington this afternoon with Mrs. Eisenhower. The first major business facing him will be a conference with Southern governors tomorrow on school integration.

Guillermo Patricio Kelly, strong arm man for ousted Argentine dictator Peron, disguised himself as a woman and escaped from a Santiago, Chile, prison. Kelly, who broke jail two years ago, was being held for extradition to Argentina as a common criminal.

Industrialists sold off from earlier highs in Friday's late dealings on the New York Stock Exchange. Pivotal issues were unsettled by heavy selling of Standard Oil Co. (New Jersey) on news that the company plans to offer \$250 million to \$300 million additional common shares later this year. After reaching an inter-day high of 46.40, Dow-Jones industrials closed at 45.89, off 0.02%. Railroads retained most of their morning gains, ending at 124.12, up 1.02%. Utilities advanced 0.22% to 66.88. Transactions decreased to 1,750,000 shares, from 2,130,000 Thursday. London—Financial Common share index 182.2, off 0.5.

Bonds—Volume \$3,660,000. Dow-Jones 40 bonds 84.86, off 0.08; high grade rails 84.73, up 0.06; speculative rails 82.80, up 0.11; utilities 84.23, up 0.03; industrials 87.89, off 0.51.

Commodities—Dow-Jones futures index 154.87, off 0.02; spot index 160.14, up 0.35.

Earnings—

Quarter Aug. 31: Net Income—PenCom Shr. 1957 1956 1955 1954  
Beetrice Foods ..... \$1,632,241 \$1,551,468 1,75 c.8.72  
Mueller Brass ..... 342,428 385,384 .81 1.01

Aug. 31: Net Income—PenCom Shr. 1957 1956 1955 1954  
Ave. Mfg. Corp. .... 8,866,374 6,499,329 .92 1.01  
H. W. Gossard Co. ... 254,026 293,913 1.23 1.38  
c-On present shares. d-New issue

(Today's Index on Page 2)

### World-Wide

WILLIAM A. LEE of Chicago announced his candidacy for Teamsters president.

The vice president said he wants to "restore the good name of the Teamsters" and pledged to "do everything in my power to keep the union in the A.F.L.-C.I.O." Three others also are running against James Hoffa, who appears to have the post all but clinched. The union's convention opens today in Miami Beach with voting scheduled for either Thursday or Friday.

In Washington, attorneys for 13 rank-and-file New York Teamsters said they will carry on their efforts to block Hoffa's election to the Supreme Court if necessary. The U. S. Court of Appeals ruled Saturday the union could go ahead with the election but could count votes only from delegates selected according to the Teamsters constitution.

Hoffa did not seem worried about the legal maneuvering. He confidently predicted a first-ballot victory. If he is elected, it may take months before court proceedings permit him to take office.

Labor Secretary Mitchell told a TV audience that if Hoffa is elected and fails to clean up the Teamsters, the Administration may ask Congress for Government supervision over union elections. He added it would be "much more severe than if labor cleans its own house."

The Senate rackets committee closed its investigation of Hoffa with charges that he manipulated union funds for his personal benefit. Chairman McClellan said the committee will look into the affairs of Nathan Shefferman, a friend of Dave Beck and a Chicago consultant to employers on labor relations. The hearings will begin October 16 or 23.

Steel producers say incoming orders as yet have failed to pick up satisfactorily from the summer doldrums. But they are counting on a fourth quarter upturn that will lift 1957 production above last year's 115 million tons and close to the record output of 117 million tons in 1955. A poll of research executives of more than a dozen big steel companies brought predictions of fourth quarter operations averaging 86.5%. That's nearly six points above the third quarter average.

The campus was quiet yesterday with only a handful of paratroopers standing guard. But the Army is concerned about potential trouble today when the Arkansas Livestock Inspection opens in Little Rock. An army of 223,000 people have attended the six-day show in past years.

Arkansas editor Harry Ashmore, described by Faubus as an "ardent integrationist," said he thought the next development would be Federal action against anti-integration leaders. He told a TV audience the apparent solution lies in maintaining "order by force until the time when the mob cannot form or reform because its leaders are in jail or under bond."

The Army will arm an armored division and 14 air defense battalions as part of the Pentagon's economy campaign. The Army said it will cut its manpower by 71,000 by January 1 and an additional 29,000 by next June 30 to bring its overall strength down by 100,000 by the latter date. One armored combat command of 5,000 men will be substituted for two armored divisions in the U.S. totaling 14,600 men each.

Extreme left Communists and extreme right Poujadists, sworn political enemies, will stand together today in an attempt to oust French Premier Bourges-Maunoury, who has asked for a vote of confidence on his bill giving Algeria partial home rule. Poujadists claim the plan gives Algerians too much power and the Communists assert Algeria should be given complete independence now.

The U.N. Disarmament Commission will meet today with the West prepared to take a strong stand that nuclear tests should not be halted until there is agreement on other disarmament steps. Britain, Canada, France and the U.S. are expected to reiterate disarmament proposals presented in London talks.

The Army will end its much-interrupted 27-day vacation at Newport, R. I., by flying back to Washington this afternoon with Mrs. Eisenhower. The first major business facing him will be a conference with Southern governors tomorrow on school integration.

The President will end his much-interrupted 27-day vacation at Newport, R. I., by flying back to Washington this afternoon with Mrs. Eisenhower. The first major business facing him will be a conference with Southern governors tomorrow on school integration.

Guillermo Patricio Kelly, strong arm man for ousted Argentine dictator Peron, disguised himself as a woman and escaped from a Santiago, Chile, prison. Kelly, who broke jail two years ago, was being held for extradition to Argentina as a common criminal.

Businessmen, in turn, are looking for pencil manufacturers to help solve their problems. Eastman Kodak Co., for instance, recently found a series of turquoise pencils produced by New York's Eagle Pencil Co. are ideal for retouching certain color negatives. Steinm in Bowing Supply Co. of Chicago also had Eagle Pencil develop a new wood-cased pencil to replace the easily-broken wax crayon generally used.

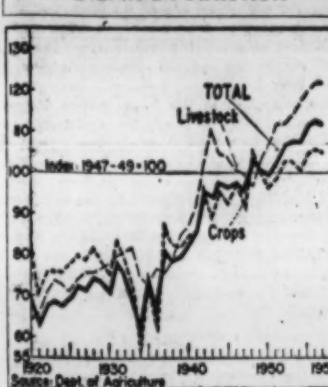
Businessmen, in turn, are looking for pencil manufacturers to help solve their problems. Eastman Kodak Co., for instance, recently found a series of turquoise pencils produced by New York's Eagle Pencil Co. are ideal for retouching certain color negatives. Steinm in Bowing Supply Co. of Chicago also had Eagle Pencil develop a new wood-cased pencil to replace the easily-broken wax crayon generally used.

The Veterans Administration said it has discovered a new anti-coagulant that may be of value in lessening the danger of blood clots in the circulatory system. Drugs now used in heart and blood vessel diseases can cause undesirable reactions unless rigid precautions are taken. The V.A. said its new substance may not produce these reactions.

Radio Moscow reported Russia has begun construction of the world's first full-scale solar power station in Armenia. The broadcast said 1,300 mirrors will reflect the sun's rays and bring water in a cauldron to boiling point, with the steam operating a turbine.

Many people who think they are suffering from Asiatic flu really have nothing worse than a hangover, a British medical writer wrote in the Sunday Express. "People only have to wake up in the morning with a slight headache," he suggested, "and they say 'I've got it.'"

### Farm Production



### The Outlook

#### Appraisal of Current Trends In Business and Finance

While some speakers at the joint annual meeting of the International Bank and Monetary Fund the past week were sounding warnings against inflation, Per Jacobsson, managing director of the Fund, pointed to conflicting forces. "There are," he said, "some signs that inflation may no longer be dominating the entire economic trend."

Such signs, which have been mentioned here in recent weeks, are pretty well summarized in the Government's daily index of wholesale prices of sensitive commodities, which is at its lowest level in four years. It has fallen to 86% of the 1947-9 average, from as high as 135% of that average in the speculative Korean war boom of 1950-51. Thus its decline has not only wiped out that Korean excess, but has also cut off part of the inflation of World War II and the years just after.

At the same time, however, the cost-of-living index for August, out a couple of days ago, showed the twelve consecutive monthly rises to a new record high. This contrast, which at first sight may give the impression that one of these indexes must be wrong, actually portrays the difference between primary raw materials and finished goods. Raw commodities in increasing numbers show price weakness reflecting over-supply, while finished goods keep going up in price because of a pyramid of processing and service costs.

Nor is the contrast so localized one affecting only the United States. At the Bank and Fund meetings, representatives of "under-developed" nations, which are those that generally produce raw materials and buy finished goods, based their pleas for financial aid in part on the contrast, which is forcing them to sell for less and buy at higher prices. In Latin America, said Mr. Jacobsson, he was "asked how it is possible for . . . the falling prices of wool, copper, lead and zinc, and the weakness on the stock exchanges, to be reconciled with the idea of a persistent inflationary boom."

This situation poses acutely the question of which trend is going to prevail, and, if the downturn prevails, at what point the Federal Reserve Board's anti-inflation policies are going to be relaxed. That no immediate change in the policy is in sight was re-emphasized at one of the Bank and Fund meetings when Reserve Chairman Martin repeated his warning that inflation must be fought because it leads ultimately to serious deflation.

As to which trend is going to prevail no prediction can be made, of course. The weakness of raw commodities resembles

## Golf Jacket Sale!



Consolidation of our Broadway and Fifth Avenue Stores has left us overstocked on Golf Jackets. You can now benefit from drastically reduced prices. Poplin or Nylon.

**Formerly \$22.50 NOW \$17.50**  
14.95 10.95  
10.95 7.95

Not all sizes and colors in all styles.

Headquarters for Army & Columbia football tickets for home games only.

*John Jarrell*

518 Fifth Avenue  
Spalding Bldg. Bet. 43rd & 44th Sts., N. Y. (38), N. Y.  
MU 2-0600

## in Philadelphia

Hickey-Freeman  
CUSTOMIZED CLOTHES

are Exclusive at

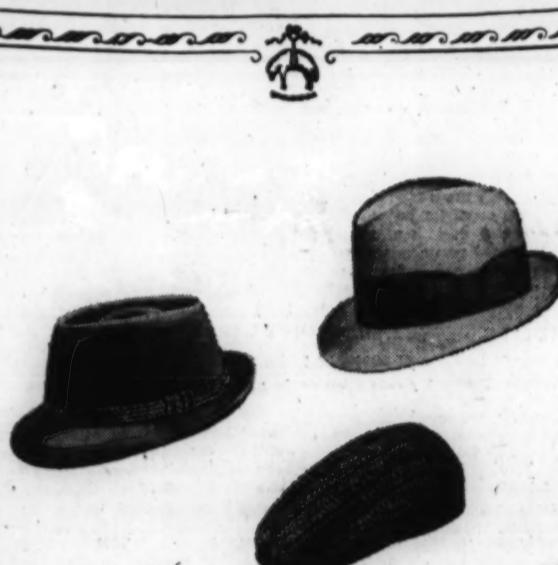
Jacot Reed's Sons  
Established 1874

Philadelphia • Haverford • Jenkintown

## DIAMOND PRICES UP

Now is a favorable time to sell to one of the world's largest buyers of diamonds from the public.

**EMPIRE DIAMOND AND GOLD BUYING SERVICE**  
Empire State Bldg., 5th Ave. at 34th St., 14th Fl.



an unusually comprehensive selection of  
DRESS AND SPORT HATS, AND CAPS  
in our own exclusive shapes and colorings

Our Hat Department offers a man one of the most comprehensive and distinctive of selections...from Lock & Co., Herbert Johnson and Brooks own English felt hats to colorful Tyroleans, tweed sport hats and caps...and such specialties as opera hats and lightweight derbies. Featured are exclusive shapes and unusual colorings of our own selection.

Our English Fur Felt Hats, from \$15

Our Sport Hats, from \$18.50 - Caps, from \$6

ESTABLISHED 1818

**Brooks Brothers,**  
**CLOTHING**  
Men's Furnishings, Hats & Shoes

346 MADISON AVENUE, COR. 44TH ST., NEW YORK 17, N. Y.  
111 BROADWAY, NEW YORK 6, N. Y.

BOSTON - CHICAGO - LOS ANGELES - SAN FRANCISCO

NOTE: Our Representative will be at the Penn-Sheraton, Pittsburgh, Sept. 30, Oct. 1, 2, 3; the Sheraton, Rochester, Oct. 14, 15...with our clothing displays.

## Layoffs Reported at GE, Grumman, U.S. Steel Unit and Kaiser Steel

Workers Also Being Dropped  
By Yale & Towne; GM Is  
Recalling Idled Men

A WALL STREET JOURNAL News Roundup

General Electric Co. and Grumman Aircraft Engineering Co. announced they are laying off workers due to Defense Department economy moves. GE will drop 2,000 people and Grumman 500.

A United States Steel Corp. unit was disclosed to be furloughing 1,500 workers, and Kaiser Steel Corp. said it will idle 600 workers for a week. Yale & Towne Manufacturing Co. said it is dropping 300 employees at one plant because of expansion "elsewhere."

But the world's largest auto maker, General Motors Corp., started recalling some 28,000 employees who have been idled as a result of strikes—now settled—at two Fisher Body division plants.

## GE Cites Military Business Decline

General Electric said it plans to lay off the 2,000 people in the next several months at its aircraft gas turbine division in Evendale, Ohio, because of a drop in military business. This will bring employment at the big plane engine development and manufacturing facility down to 12,500, the company said.

GE had previously announced that due to defense cutbacks and stretchouts it would be dropping about 525 men between September 1 and the end of the year at its small aircraft engine department and about 75 employees in the next few months at its instrument department. Both of these are in the Lynn-Everett, Mass., area near Boston.

J. B. Montgomery, general manager of the aircraft gas turbine division said the cutback in Evendale would affect research people in the Flight Propulsion Laboratory; workers in the jet engine department, which develops prototype aircraft engines, and employees in the production engine department, which now primarily is engaged in mass output of the J-79 jet engine.

The number to be laid off in each department hasn't been set, Mr. Montgomery said.

He said the layoffs result from reduced Government spending for defense, stretchouts in delivery of new production engines and the fact fewer jet engines are being returned to vendors for overhaul.

## Layoffs Earlier in Year

Earlier this year, in two stages, the big GE division laid off about 1,200 workers. Part of this was due to the fact the Government awarded Curtiss-Wright Corp. a major contract for overhauling J-47 jet engines produced by GE, cutting into GE's overhead work.

In a letter to employees, Mr. Montgomery said the reduction should not be interpreted as lack of confidence of GE in the aircraft-gas-turbine business. "On the contrary," he said, "its confidence is amply demonstrated by continued investment of company funds in Evendale facilities."

He said an example of this was the recent purchase from Electric Auto-Lite Co. of plants at Evendale with 3,300,000 square feet of floor space. GE previously had leased about a

third of the Auto-Lite space. He noted also GE's entry into the commercial engine business. The company recently unveiled its CJ-805 jet engine for commercial aircraft. It has been chosen for use on the Convair 880, medium range jet transport.

In Bethpage, N. Y., Grumman announced it will lay off about 500 of its personnel over the next three to four weeks, in what it said is the first employment reduction by the company since the period immediately after World War II.

The reduction in the force, which at present totals 13,850, amounts to about 3% and follows the Department of Defense requests for immediate cuts in expenditures, Grumman said.

"A huge dollar investment by the Grumman company in the commercial field, combined with many years of planned diversification of products in the military field," said L. A. Swirbul, president, "makes it possible for us to retain an extremely high percentage of our people."

## No Termination of Contracts

There has been no termination of contracts, a spokesman said, but stretchouts have been introduced. The Long Island concern said it does not foresee further reductions in its work force.

In Birmingham, Ala., A.F.L.-C.I.O. United Steelworkers Union officials said they have been notified the Tennessee Coal & Iron division of U. S. Steel will lay off about 1,500 workers in its manufacturing departments tomorrow.

A union spokesman said company officials blamed the cutback on a slowdown of incoming orders which didn't justify the current rate of production. T.C.I. officials declined to comment. The union has been told that the Ensley, Ala., rail mill will close from October 1 to December 1 as part of the cutback.

Orion mines and quarries of T.C.I., which employs about 25,000 workers and is the South's largest steel producer, have been closed by a strike since last Tuesday. The walkout by some 1,600 union members has not curtailed manufacturing operations yet, according to the company. The workers are protesting the extension of the use of semi-automatic machinery which has resulted in re-allocation of workers and duties.

In Fontana, Calif., Kaiser Steel said 600 men at its plant there will be laid off for one week beginning today, due to a drop in ingot production caused by a labor slowdown that has since been adjusted. All 600 are employed in rolling mills or on maintenance and inspection.

## Round-the-Clock Output

Kaiser's total employment presently amounts to some 7,600. The company said it was hoping for reattaining that level of employment after the layoff because production of ingot steel is now on a round-the-clock basis.

The materials handling division of Yale & Towne said it has laid off employees at its plant in Philadelphia because of "an expansion of the division elsewhere."

The concern normally employs some 3,000 persons in the division, about two-thirds of these are production and maintenance workers and the remaining one-third office workers. A spokesman said the layoffs followed about the same ratio between the two groups.

According to the concern, new plants went into production recently in Forrest City, Ark., which makes hand-hoists and hand trucks, and in San Leandro, Calif., which does modification and sub-assembly work. It added that this "transfer of work liberated space" in the Philadelphia plant for expanded manufacture of electric hoists and powered industrial lift trucks.

The concern declined to say, however, when it expects these expanded operations to get under way or whether it might hire back the laid-off workers.

General Motors' assembly divisions and Fisher Body division began recalling workers over the weekend.

Normal stamping operations resumed Saturday in the two plants that had been struck by the A.F.L.-C.I.O. United Auto Workers Union at Marion, Ind., and Mansfield, Ohio. These plants, which turn out body parts for all divisions of G.M., were down a week before agreements were reached to end walkouts.

Negotiations to settle a third G.M. strike in a Chevrolet division plant at Muncie, Ind., where four-speed transmissions for trucks are made, will resume this afternoon, the company said.

## Other G.M. Plants Halted

A shortage of parts as a result of the stamping plant walkouts forced other G.M. plants to suspend operations, and more than 28,000 employees were idled in G.M.'s Fisher Body and Buick-Oldsmobile-Pontiac assembly divisions.

As previously announced, production of 1958 Buick cars will be delayed about one week. Production was scheduled to begin tomorrow. A company spokesman said new Buicks probably will be assembled the early part of next week.

The entire work force, about 16,000 employees, was laid off in the company's seven Buick-Oldsmobile-Pontiac assembly division plants. Workers will be recalled, the company said, as soon as parts are stamped and shipped to the assembly plants.

## Today's Index

## Regular Features

Monday, September 30, 1957	
Abreast of Market .....	21 Milestones .....
Am. S. E. Bid, Ask .....	18 Money Rates .....
Am. S. E. Bonds .....	19 N.Y.S.E. Bid, Ask .....
Am. S. E. Stocks .....	19 N.Y.S.E. Bonds .....
Bond Markets .....	19 N.Y.S.E. Stocks .....
Commodities .....	20 Odd-Lot Trading .....
Dividend News .....	18 Other City Markets .....
Earnings Digest .....	15 Over-the-Counter .....
Editorials .....	8 Tax Exempts .....
Financing Business .....	14 This Week in Wash. ....
Foreign Exchange .....	20 Who's News .....
London Markets .....	7

## Temporary Help

for any  
office  
assignment

CHICAGO  
NEW YORK  
MINNEAPOLIS  
LOS ANGELES



Delegate the details • Workman does the rest

American Motors Plans  
To Drop Nash, Hudson  
Names on 1958 Models

Firm to Market All U. S.-Built  
Cars Under Rambler Name;  
Offers Smaller Ambassador V-8

By a WALL STREET JOURNAL Staff Reporter  
CHICAGO — American Motors Corp. announced it will drop the Nash and Hudson car brand names on its 1958 lines and will market all its U. S.-built cars under the Rambler nameplate.

In the process of the switch, its largest cars—a new line dubbed Ambassador V-8—will wind up with a shorter wheelbase and a smaller body shell than the company's largest 1957 models.

Here's the line-up of American Motors' 1958 car lines: The imported, English-built Metropolitan on an 85-inch wheelbase; the Rambler American on a 100-inch wheelbase; the Rambler Rebel V-8 on an 108-inch wheelbase, and the Ambassador series, which will have a 117-inch wheelbase.

As previously announced, the larger Ramblers and the new Ambassadors will use a body shell the same size as that on the 1957-model Ramblers. For the new, modified version of the 100-inch wheelbase Rambler, A.M.C. also announced earlier, it is reviving the smaller body shell that was dropped some years ago.

On the 1957-models—Nash and Hudson wound up their model runs at the end of July and Rambler halted 1957 output in mid-August—the company offered this assortment: The Metropolitan; the 108-inch wheel base Rambler, and its Nash and Hudson lines, built on a 121-inch wheelbase.

Roy Abernethy, vice president of automatic distribution and marketing, made the announcements here after a conference of Midwest American motors dealers.

A company source said American Motors has been considering dropping the two names since early 1956. Ramblers, he noted, had borne the names Nash Ramblers or Hudson Ramblers, depending upon which dealer sold them.

Mr. Abernethy said the company's dealers across the country were "wholly in accord" with the decision to drop the Nash and Hudson names.

During the first seven months this year, Ramblers sales totaled about 54,000, up from the 43,000 sold in the like year-ago period. Nash sales declined sharply during the same period to about 7,000 units, compared with about 16,500 in 1956. Hudson sales also declined to 3,500 from 8,000 in 1956. Sales of the Metropolitan, however, almost doubled during the first seven months this year when 6,500 cars were sold, up from the 3,500 sold last year.

## Yugoslavs Buy Douglas Planes

SANTA MONICA, Cal.—Douglas Aircraft Co. announced the sale of two DC-8 aircraft to Yugoslavia's Aero Transport (JAT) for delivery in 1958. The contract involves about \$1,500,000 for each plane and negotiations were carried out under State Department authorization, the company said. Nat Paschall, Douglas vice-president in charge of sales, said JAT is the 46th airline to order DC-8 series planes.

SAVE...  
with our Family Fare Plan  
to EUROPE

• Now the entire family can go. The head of the family pays full fare; dependents (age 12 to 26) save \$300 DeLuxe and \$200 Tourist Class.

• Paris and major German cities non-stop from New York.  
Go now—pay later.

LUFTHANSA Airlines

555 Fifth Avenue, New York 17

Murray Hill 2-9100

Representation in all Principal Cities

LUFTHANSA

## MODERN FACTORY FOR SALE

Modern, two-story brick and steel constructed Factory plus Warehouse, on 9 acres of land in Gulfport, Mississippi. Manufactured dress and sport shirts, but can be adapted for other industries. 122,000 square feet in buildings. Fully fire-proofed. WILL SELL OR LEASE.

Lowest insurance rate. Fine water system. Sprinkler system. Railroad siding in fine condition with switching connections. Many trucking services available.

This up-to-date, well lighted, well ventilated factory, fully equipped and set up with machinery, established in 1936 is in perfect condition and produced 10,000 dozen shirts per week, using 1,000 well trained employees. Excellent working conditions. Electric power and natural gas service at reasonable rates.

Through State aid, no initial investment required. Can finance as expense over period of years to reliable party. WILL SELL BUILDING OR MACHINERY SEPARATELY. Detailed information can be obtained from:

Joseph G. Smith, President  
COLONY SHIRT & PAJAMA CO., INC.  
350 Fifth Avenue  
New York 1, N. Y.

Brokers Protected

10 pc Ratchet Wrench  
SOCKET SET

Ratchet Wrench, Wrench Extension and 8 Sockets, sizes 3/16", 7/32", 1/4", 9/32", 5/16", 11/32", 3/8" and 7/16". Wrench has reversible ratchet. Sockets are tempered alloy steel, bright sheen finished. In a steel box, keyed on the back for easy wall hanging, and a clearview plastic slide lid for easy selection. The ideal tool for home, hobby, or shop mechanic use.

\$2.95 | \$30 Per Doz. Sets

JOHN SURREY, Ltd. 100 East 42nd St., New York 17, N. Y.



## The beginning of a super highway!

## Last-Minute Legal Maneuvers Seek to Stop Teamster Election of Officers; Lee of Chicago Enters the Race

Hoffa Sees Victory on First Ballot; Appeal to High Court Planned by Members

A WALL STREET JOURNAL NEWS Roundup

Legal and intra-union political maneuvering aimed at preventing the election of James R. Hoffa has a hectic pace as the Teamsters Union launches its convention in Miami Beach.

Over the whole election hangs the possibility that if the indicated Detroit Teamster chief is made president, it may be months before court proceedings permit him to take office, if ever.

Mr. Hoffa got strong new opposition in the race last night when Teamster vice president William Lee of Chicago announced his candidacy. And the legal fight to prevent the election from being held at all is expected to go to the Supreme Court today.

Mr. Lee, whose announcement had been expected for several days, said he was acting in response to pressure by "many leaders and members of the union."

The Chicago union leader is regarded by A.F.L.-C.I.O. officials as acceptable to the federation, which has threatened to expel the Teamsters if they elect Mr. Hoffa.

While Mr. Lee says privately that he considers his chances for election somewhat doubtful, his move was intended primarily as a last-ditch effort to supply a candidate for those who want to keep the Teamsters in the federation.

Asked what he thought of Mr. Lee's candidacy, Mr. Hoffa replied: "The more candidates the better. This proves that this is a democratic union." However, he immediately made plans to go before the Chicago delegation last night to try to keep them from shifting their support to Mr. Lee.

Mr. Hoffa added that Mr. Lee's candidacy was "no surprise" to him. He also said he expects one more candidate to come in. The speculation centered around Einar Mohn, a Teamster vice president and also administrative assistant to Dave Beck.

### Reaction From Opponent

The reaction from the camp of Thomas Haggerty, another Hoffa opponent, was sharp and bitter. Peter Hoban, president of the Chicago milk drivers local of which Mr. Haggerty is secretary-treasurer, and his campaign manager, said there is "every possibility that Lee has the blessing of the Beck-Hoffa interests." He reasoned that the Haggerty bandwagon was rolling so fast that Mr. Beck and Mr. Hoffa both got worried and wanted Mr. Lee in the race to take some votes away from Mr. Haggerty.

A second Hoffa foe, New York Vice President Thomas Hickey, said he intended to stay in the race but indicated he would pull out if he thought there was a chance that anyone else could beat Mr. Hoffa.

There was no immediate comment from Rep. John Shelley (D., Calif.), the other major candidate in the race.

Another Chicago Teamster vice president, John T. (Sandy) O'Brien, said he thought the move by Mr. Lee was "too late to do any good. I don't think he can be elected. There's not enough time."

Mr. Lee has the support of vice president Frank Brewster, head of the Teamsters Western Conference. Mr. Brewster has said he thought he could get Mr. Lee about 400 convention votes. A majority of the more than 1,300 delegates is required for election.

Mr. Hoffa did not seem to be worried about the legal maneuvers. He told a press conference late yesterday he believed he had enough delegates pledged to him to win on the first ballot and thus foil what he called a "sinister conspiracy" by outside influences to take over the union."

He indicated this "conspiracy" would involve the lawsuits against the Teamster election. He said he expected to have a "documented statement of who was trying to disrupt the convention."

As the legal battle now stands the convention can proceed with the election as scheduled, but is under orders from the U.S. Court of Appeals for the District of Columbia to count votes only from delegates selected according to the Teamsters constitution.

Attorneys for a group of Teamster rebels, who brought the courts into the union's election, promised they would eventually try to

### Mitchell Says Government Studies Union Election Law

WASHINGTON — (UP) — Labor Secretary James P. Mitchell said the current Teamsters controversy may prompt the Administration to urge Congress to enact legislation authorizing some form of government supervision over election of union officers.

He also said recent disclosures of corruption within the Teamsters and other unions may lead to Administration-backed bills to provide greater Government supervision over the administration of union welfare and pension funds.

Mr. Mitchell said these proposals were under consideration in the Labor Department as possible legislative remedies to "help labor clean its own house."

In addition to the legislation on welfare funds and union elections, Mr. Mitchell said on a television program, he believes "organizational picketing ought to be outlawed." By such picketing, he said, some union leaders have tried "to blackmail small employers."

He explained that in organizational picketing, a picket line of outside workers is thrown around a concern in order to force the businessman to recognize the particular union involved.

If the Teamsters elect Vice President James R. Hoffa their next president and fail to clean out corruption, he said, "the kind of legislation the public will demand will be much more severe."

Asked what he thought of Mr. Lee's candidacy, Mr. Hoffa replied: "The more candidates the better. This proves that this is a democratic union." However, he immediately made plans to go before the Chicago delegation last night to try to keep them from shifting their support to Mr. Lee.

### Lawyers Still Busy

And the lawyers are still busy with last-minute moves to block any election at all until elections for delegates are held under court supervision by all the locals. They tasted success briefly over the week end when Federal District Court Judge Dickinson Letts issued a temporary injunction against the Teamster election.

But attorneys for the Teamster Union immediately appealed and succeeded in reversing Judge Letts' order. With the reversal, and the permission to proceed with the election, however, came the Appeals Court warning that only duly-chosen delegates must vote.

Not satisfied with this, attorneys for the 13 rank-and-file New York Teamsters who originated the suit say they will try for another order blocking the election. Godfrey P. Schmidt, one of the lawyers, said at his home at New Rochelle, N. Y., he would return to Washington today for a new attack on what he terms the evil group which rules the Teamster Union like a dictatorship.

Mr. Schmidt said he would go to the Supreme Court today to try to reinstate Judge Letts' order. A rehearing before the same three-judge panel where he lost Saturday would be futile, rebel lawyers concede.

National attention has been focused on the Teamster convention by the disclosures of the Special Senate Investigating Committee and the open threat of the A.F.L.-C.I.O. to expel the Teamsters unless they clean house, including the ouster of Mr. Hoffa and retiring president Dave Beck. The Senate Committee issued a new 34-count "indictment" against Mr. Hoffa after closing a new series of hearings into his affairs over the weekend.

The investigators, who recessed for about two or three weeks, charged the union vice president with manipulating union funds for his own benefit, installing hoodlums in union posts and collusion with employers against members of his own union.

Mr. Hoffa brushed off these charges of corruption with a terse "no comment" in Miami. The chunky little Teamster leader appeared relieved over the Appeals' Court decision allowing the election to go forward. His aides were insisting that the court maneuvering had only strengthened Mr. Hoffa's chances, and discounted suggestions that he might move to have the election moved up from Thursday or Friday to keep the stop-Hoffa forces from making further gains.

Under the cloud of the court order, the

credentials committee is examining all delegates' papers, but is relying chiefly on challenges from Mr. Hoffa's opponents to turn up those who were possibly chosen outside the union's constitution's procedures. Aides said Mr. Hoffa did not intend to make any challenges.

Just how many delegates will be challenged was somewhat vague. So far, credentials committee chairman Roy Williams said Thomas J. Haggerty, one of Mr. Hoffa's opponents in the race, is challenging 177 delegates.

He said the legality of Mr. Hoffa's home local, No. 299 in Detroit, has not been questioned. In last week's hearings, members of the Senate Committee indicated they doubted its validity, including Mr. Hoffa's own right to be a delegate. However, Teamster officials said he, at least, was legally entitled to a seat as a vice president of the union.

At any rate, the Teamsters Union is so entangled in the Washington legal maneuvering that the new officers might face months of litigation before they could take office. The election results could be challenged by either side—by Mr. Hoffa's foes if he wins, or by his supporters if he loses.

The legal maze began with a suit by the 13 New York Teamster members asking, in effect, two things:

A temporary order delaying the Teamster election, on grounds the forces of Mr. Beck and Mr. Hoffa hand-picked the delegates to insure the election of Mr. Hoffa as president and Mr. Beck as president emeritus, both at

\$50,000 salary.

This is the only portion of the suit which has come up in court so far.

The second half of the rank-and-file complaint asked the court, having delayed the election, to appoint referees to supervise honest

elections in all the far-flung union's locals, then to conduct the election for national officers. This portion of the suit has not been heard at all. A permanent injunction would be invoked here, and attorneys think a hearing on this would not be possible this week, even though the Court of Appeals ordered the hearing expedited. This would probably come the following week, lawyers speculated.

### Judge Letts' Finding

The plaintiffs first went before 82-year-old Judge Letts, a Hoover appointee, on the first part of their petition. Judge Letts found the Teamster convention was dominated and controlled by Beck-Hoffa forces and was rigged to railroad the election.

He granted the temporary injunction asked in the first half of the plaintiffs' suit, ordering the Teamster Union not to hold any national election, and not to seat any convention delegates who had not been selected by the locals, according to the Teamster constitution.

(The constitution—which the plaintiffs call a contract and which, they say, has been violated—provides two ways for a union local to select delegates. The local can meet and elect the number of delegates it is entitled to send, one for each 750 members, or the local can meet and vote to leave the appointment of delegates up to the local union's executive board. The plaintiffs say more than half of the locals did neither. However, the Teamster

executive council decided over the weekend that a relatively liberal "rule of reason" rather than the letter of the constitution would be applied in judging delegates' qualifications.)

Martin F. O'Donnoghue, heading the Teamster legal battery, immediately appealed Judge Letts' order to the Court of Appeals. He told the three-judge panel that Judge Letts had committed "severe error and abuse of discretion." The injunction order, prepared by plaintiffs' attorneys and signed by the judge, contained different rulings from those the judge announced orally from the bench he would sign, Mr. O'Donnoghue declared.

He argued it was premature to block an

election on grounds the delegates "might" do something wrong. There is time to wait and see what they do, he declared. Then if the results show merit to the plaintiffs' arguments, they could come to court immediately for relief.

In effect this is what the three-judge court ruled. The panel, headed by Judge George T. Washington, reversed Judge Letts' order that blocked the election. Teamsters may proceed with their election, the court ruled, but only properly-selected delegates may vote. The action of the credentials committee in seating delegates is subject to full review in court later, the court warned.

## JONES HAPS One Piece Underwear

No Waistband, No Buttons, No Ironing  
No Bind or Sag. Fine Ribbed Cotton.  
Most Comfortable Underwear.

Sizes 38 to 48

Gold Label Quality \$2.50  
Deluxe Quality \$3.50

Sizes 48 to 60 — \$0 extra

ESTABLISHED 1878

*Chas. Young, Inc.*  
GENTLEMEN'S APPAREL  
67 Wall Street, New York 5, N.Y.  
70 Years . . . Always on Wall Street  
Entire Store Air Conditioned

## NOW...the new Continental Room

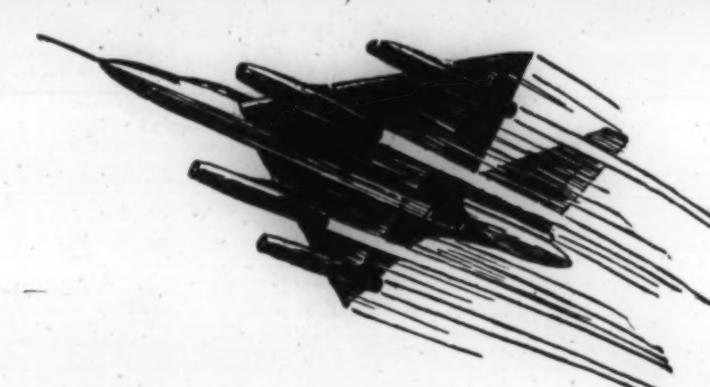
### OPEN FOR CONVENTION GROUPS

The Continental Room—large capacity meeting and dining room—now available. For a smaller group of 100, reserve either Continental "East" or Continental "West" ideal for business meetings, displays, luncheons or sales conferences completely air conditioned and dehumidified.

*The Edgewater* MADISON,  
WISCONSIN

Mail and Phone Orders  
Filled Promptly  
WH 4-7677

Please Add 25¢ for Postage



## Hoops to Jets

Brass spangles for hoop skirts may seem a far cry from aluminum for jet planes yet they are both milestones in the 92 years Bridgeport Brass Company has been serving American industry.

When the Company was founded in 1865, the strip brass rolled in its first small mill went into spangles, oil lamps, clocks and other early products of New England industry. Today, Bridgeport Brass has grown to be one of the largest independent producers of Brass, Copper and Aluminum Mill Products in this country. Our eleven plants in this country and Canada turn out millions of pounds of metal which are used by almost every industry in this country. Bridgeport's consumer products are used in homes across the nation.

With this background of growth and expansion in the past, Bridgeport Brass Company—through a forward-looking program of research, development and expansion—is continuing to serve America's industries and defense by producing better metals for today and tomorrow.

Write for your copy of our 91st Annual Report with highlights of our growth, progress and operations.

## BRIDGEPORT BRASS COMPANY

Bridgeport 2, Connecticut

Plants at Bridgeport, Connecticut; Indianapolis, Indiana; Adrian, Michigan; Riverside, California; Flemington, New Jersey—Sales Offices and Warehouses in Principal Cities.

One of a series of ads about the Bridgeport Brass Company whose diamond trademark has been a symbol of quality and service since 1865  
on Brass, Copper and Aluminum Mill Products • Aluminum Extrusions and Forgings • Uranium, Zirconium and Titanium Mill Products  
Flexium Aluminum Venetian Blinds and Awnings • Tire Valves and Accessories • Aerosol Insecticides • Copperware Cooking Utensils



### The EMPIRE Shop

1929 Morris Ave., New York 53, N. Y.

Please send the LIVING LANGUAGE COURSE checked below at the special sale price of \$9.95.  French  Spanish  German  Italian

I am enclosing \$ . . . . .

NAME . . . . .

ADDRESS . . . . .

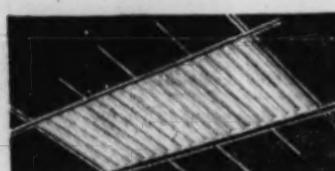
CITY . . . . . ZONE . . . . . STATE . . . . .

Please add 1% Sales Tax for N.Y.C.

An audit  
of your  
lighting  
needs  
will  
fill the  
"out" basket



The employee who's there—but not producing—may be the victim of outmoded lighting. Lightolier can audit your lighting needs, furnish a lighting plan and show you the units best suited to your needs. Example: Our new Strialux fixture. It fits modular and plaster ceilings, provides well-diffused fluorescent light, adds to the appearance of your firm. Write LIGHTOLIER, Dept. WJ, 9 E. 36 St., N.Y., or call Lexington 2-2900, Extension 1.



**LIGHTOLIER**  
Architectural and Residential Fixtures • Portable Lamps

### CHROME SPEED STEEL DRILL BIT SETS

These imported drill bits are turned from the finest hardened and tempered chrome steel, ground to the sharpest, long lasting edge possible. Cleanly and easily drills through hardwood, plastic, aluminum, brass, iron and steel. In handy plastic case. 13 pc. Graduated in 1/16" or 1/4". Graduated in 1/16" or 1/4". Postpaid \$1.29  
10 pc. Drill Set same as above without 21/16, 13/16, 15/16 drill. Postpaid \$0.98

### 29 PIECE DRILL SET

CHROME  
VANADIUM  
STEEL  
\$42.00  
Value:

Finest hardened and tempered steel available. Bits have turned down shanks to fit 1/4" drill. Same as above normal shanks to 1/2" \$4.50, plus 25¢ Ship. Chge.

**JOHN SURREY, LTD.**  
100 E. 42nd St., N. Y. 17, N. Y.

In PITTSBURGH, PA.  
Let's MEET and EAT at  
**KRAMER'S**  
LUNCHEONS COCKTAILS DINNERS  
Family operated for over 40 years.  
Credit Services  
Gentlemen's Club • Duncan Hines • Gourmet

**ERKOTE** TECHNICAL MASTICS  
• CORROSION CONTROL  
• LOW TEMPERATURE  
INSULATION  
• VAPOR SEALING  
EARL PAINT CORPORATION - UTICA, N. Y.

Why America's  
Industrial Leaders  
Are Building  
Bigger in  
**MISSOURI**

Here are just three of many new industrial installations that are growing fast with Missouri. Not one but many advantages influenced top management to expand in the state.

Here industry finds access to plentiful underground water; rivers, lakes—proximity to raw materials, unexcelled transportation, competent labor, pleasant living and perfect recreational facilities.

Want to know more... how Missouri can help you locate and expand in Mid-America? Then, write today—or

Call Collect Jefferson City 6-7185  
for complete confidential information

Richard Kinne, Industrial Dir.,  
Dept. P-77, Missouri Division of  
Commerce & Development,  
Jefferson City, Missouri

Please send free brochures:  
 Missouri's Industrial Locations  
 Available Buildings in Missouri  
**FREE**  
Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

## Purchasing Agents Survey Predicts Good Business in Fourth Quarter

It Notes "Renewed Optimism," Tells of Increased Sales Pressure, Competition

By a WALL STREET JOURNAL Staff Reporter  
NEW YORK—Fourth quarter business will be good, the National Association of Purchasing Agents predicted in its September survey.

The survey "reflects a renewed optimism that fourth-quarter business will match earlier predictions," the N.A.P.A. said.

Of the purchasing agents surveyed, 32% look for higher production in the fourth period, 48% said production would be the same and only 22% believe production would decline.

New orders, 36% of the agents anticipate a pickup, 44% expect the same level and 20% see lower levels.

However, while 72% of the purchasing agents said no change was contemplated in their capi-

tal expansion plans for the remainder of 1957, some 20% did indicate cutbacks are planned.

"Comments of the committee members indicate greater selling pressures," the report said, "with keen competition prohibiting the passing on of higher costs on many items. Currently, commodity prices are relatively static and incentives to increase inventories are largely nonexistent."

Inventories of 34% of the agents are lower than a month ago, 51% are the same and only 15% listed increases.

Higher prices are reported by 5%, down from 37% a month ago; the same prices are reported by 42% and 7% report decreases.

Higher are aluminum ingots and castings; steel pipe, fittings, shapes and fabricated components; hand tools; rubber; bearings; electrical equipment; fasteners; phosphates; grinding wheels; multiwall paper bags; caustic potash; steel chain; hardware, and freight rates.

Lower are brass, copper, steel scrap, lumber and some petroleum products.

Executive, others would have retained him, but no agreement has been reached on any of them, he added.

The spokesman also said the committee is continuing to draw plans for court action to force Penn-Texas' management to make available to directors and stockholders detailed information on the company's operations and finances. Mr. Finkelstein had said earlier the committee is considering asking for a court order for an independent audit of the company's books.

Penn-Texas, meanwhile, disclosed its Liberty Aircraft Products Corp. subsidiary has laid off more than 100 workers at its Farmington, N. Y., plant, because of stretch-outs in defense contracts. The Machine division of the Pratt & Whitney Co. subsidiary is also cutting production to work down excessive inventories, the company said. Each week for the next month or so the company will furlough about 30 workers, recalling them the next week and laying off another group of 30.

Both sides, however, denied reports that they had discussed dividing an expanded board with five members each for management and insurgents and two neutrals. A Penn-Texas spokesman said his side felt any revision of the board "should bear some relation to the stockholder vote" in a proxy fight last May, in which the protective committee got only 850,500 share votes to management's 2,948,872, indicating that management would insist on retaining a board majority. Mr. Whittaker confirmed that his side had not been offered equality of representation.

Switch of Support Reported

Mr. Whittaker and Robert C. Finkelstein, the other committee director, last month got the support of retired Maj. Gen. C. T. Lamham, a director originally elected on the management slate, in an attempt to oust Leopold D. Silberstein as chairman and president of Penn-Texas. Their move was voted down, four to three, at a special board meeting with Mr. Silberstein absent.

Mr. Whittaker said proposals had also been made to "reconstitute" the company's three-man executive committee to "remove one-man control" he said had been exercised over it by Mr. Silberstein. He would not give any details of how this was to have been done. Penn-Texas did not comment on this aspect of the discussions.

The other members of the executive committee are Ernest Stroheim, Penn-Texas treasurer, and Duncan M. Findlay, a real estate and insurance executive, both of whom are also directors. The Finkelstein-Whittaker committee has claimed it originally had the support of these men for its August dump-Silberstein move, but that they switched their support at the special board meeting.

Subsidiary Lays Off 100

A spokesman for the dissident directors said some of the new compromise proposals had come from Mr. Stroheim and Mr. Findlay, and others from lawyers "allegedly representing Mr. Silberstein." Some of the proposals would have deposed Mr. Silberstein as chief.

## Penn-Texas Negotiates To Compromise Split In Board of Directors

Both Sides Propose to Increase Number of Members But Nothing Concrete Has Been Decided Yet

By a WALL STREET JOURNAL Staff Reporter  
NEW YORK—Negotiations to compromise the split in the Penn-Texas Corp. board of directors are under way but so far have produced no results.

Wallace S. Whittaker, one of two dissident Penn-Texas directors representing a "stockholders protective committee," said the committee has been approached by management representatives with proposals to enlarge the board to give the committee more representation. A Penn-Texas spokesman confirmed this, and added one proposal had been to expand the board to 12 members from the present eight.

Both sides, however, denied reports that they had discussed dividing an expanded board with five members each for management and insurgents and two neutrals.

Officers of both companies decided to break off negotiations just prior to a meeting of Gladden shareholders.

Differences of opinion over the effect of a July 31 Gladden financial statement of the proposed agreement caused the proposal to fall through, according to the joint announcement.

Under terms of the proposal, Gabriel would have acquired all assets of Gladden, except two subsidiaries, and would have assumed all Gladden's liabilities.

Further negotiations are not presently planned, according to the announcement.

Gabriel, Gladden Products Call Off Proposed Acquisition

LOS ANGELES—A proposed acquisition of certain assets of Gladden Products Corp., Glendale, Calif., by Gabriel Co., Cleveland, has been abandoned, both companies announced.

Officers of both companies decided to break off negotiations just prior to a meeting of Gladden shareholders.

The price increase would be effective immediately, the announcement stated. Present suggested prices on radios range from \$17.88 to \$60; television sets \$128 to \$348; and high fidelity phonograph models 5% to 15%.

The price increase would be effective immediately, the announcement stated. Present suggested prices on radios range from \$17.88 to \$60; television sets \$128 to \$348; and high fidelity phonograph models 5% to 15%.

The prices of all models would not be affected, the company said. Of those changed, the company said, radios would be increased \$2, television sets \$10 and high fidelity units \$20.

One signature Christmas shopping. No fuss, no bother, no confusion. Clients, employees, business associates, relatives, friends—anyone you choose. You merely jot down gift for a person to receive. Different gifts to different people or same gift to groups of people. Every gift is \$5.00 value. Order catalog (55.00 Value) giving full description and illustrations of over 25,000 name brand gifts in all price categories. \$20,000.00 in value in included shopping goods, giftware, imports, everything for men, women or children, for home, travel or office. Individual N. SHURE Shopping Plan for your private office, business needs and budget requires only one signature, entire order may be placed in one catalog. No minimum order. Prompt delivery. You may only order merchandise ordered. No service fees or additional charges. Catalog and full details available without obligation. Plan now to avoid last minute rush. Request on company letterhead only.

## Paper Output Slips

NEW YORK—The American Paper and Pulp Association reported the ratio of U. S. paper production to mill capacity for the week ended September 21 was 90.8%, down from a revised figure of 90.9% for the preceding

period and 100.7% for the like week last year. Output of mills making newsprint exclusively was not included.

The paperboard ratio for the week was put at 86%, down from 98% the week before. For the like period last year, the rate was reported at 94%.

## BRITISH ALL-WOOL GABARDINE RAINCOAT

CASH IN ON SENSATIONAL BRITISH CUT-PRICE EXPORT OFFER—

OPEN TILL NOV. 9 only

\$45.00 value for \$29.95 POST FREE

DIRECT FROM MANUFACTURER—NO MIDDLEMAN'S PROFITS

YOU must rate this the finest man's All-wool Rainproof Gabardine Topcoat of any priced up to \$45.00—or we refund your \$25.00—and

REFUND YOUR IMPORT DUTY TOO!

1. Tailored by SARTOR—MANUFACTURERS of Britain's finest high-class rainwear.

2. Impeccably cut in super quality ALL-WOOL gabardine, rainproofed and traditionally London shrank.

3. Fully lined. Roomy RAGLAN shoulders. Strengthened pockets.

4. Your coat comes from SARTOR HOUSE in England—SIMPLY FILL IN COUPON BELOW

5. SIZES: Chest 32" to 46"; Heights 5'0" to 6'3".

**Sartor**

SARTOR HOUSE, (Dept. B)  
Manchester, 8, England

"DO IT YOURSELF" IMPORT SCHEME

TO SARTOR, Sartor House, Manchester 8, England  
Kindly forward a British All-Wool gabardine Raincoat on the approval  
money-back guarantee offered by you.  
I am Enclosing Personal Check \_\_\_\_\_  
I am sending Money Order separately \_\_\_\_\_  
not applicable.  
for \$25.00, and will pay the balance of \$45.00, which is import duty, to the  
postman on delivery.  
My height (without shoes) .....ft.....in. My weight .....pounds.  
Chest measurement (across waist or pullover) .....in. My belt size .....inches  
Mid-torso: grey navy dark green. Belts: belted unbelted style.  
Name .....  
Address .....

PLEASE NOTE: Coupon and payment can be posted direct to Sartor, Sartor House, Manchester 8, England (add 1/2 half ounce), or to our U. S. Representatives, the Samli Company, One E. 10th St., Minneapolis 1, Minnesota, who will forward your order to England, handle enquiries and, when requested, make size changes or cash refunds.

1,000-Page 4-Color Catalog, Over 25,000 Gifts ONLY 86 DAYS UNTIL CHRISTMAS

New Easy Way to Shop for Client's and Employee's Christmas Gifts DO YOUR CHRISTMAS SHOPPING WITHOUT MOVING FROM YOUR DESK!

Tell Us What You Need... We Do The Rest

One signature Christmas shopping. No fuss, no bother, no confusion. Clients, employees, business associates, relatives, friends—anyone you choose. You merely jot down gift for a person to receive. Different gifts to different people or same gift to groups of people. Every gift is \$5.00 value. Order catalog (55.00 Value) giving full description and illustrations of over 25,000 name brand gifts in all price categories. \$20,000.00 in value in included shopping goods, giftware, imports, everything for men, women or children, for home, travel or office. Individual N. SHURE Shopping Plan for your private office, business needs and budget requires only one signature, entire order may be placed in one catalog. No service fees or additional charges. Catalog and full details available without obligation. Plan now to avoid last minute rush. Request on company letterhead only.

One of America's Largest, Most Successful Wholesalers of General Merchandise

N. SHURE CO. 500 N. Pulaski Road Chicago 24, Illinois Phone Business 811-8200

## Hershey Estates Files

Suits Totaling \$300,000 Against 3 Union Locals

Special to THE WALL STREET JOURNAL

HARRISBURG, Pa.—Hershey Estates filed suit totaling \$300,000 against three labor union locals for alleged damages stemming from picketing activities in Hershey, Pa.

The Estates, which operates more than 30 businesses in Hershey, filed suit for damages of \$100,000 each from Locals 488 and 98 of the International Alliance of Theatrical Stage Employees and Motion Picture Machine Operators, Harrisburg, and Local 446, Bakery and Confectionery Workers, Hershey.

The company's suit claims that Local 488, which is striking Hershey Estates, set up picket lines around the Hershey Community Theater, an Estates enterprise, even though it does not represent theater employees.

The suit, filed in Dauphin County Court, alleged that this caused a breach of contract with Local 488, whose contract runs to December 31, 1957, and with Local 98, whose contract runs to May 1, 1959. It charges that employees belonging to these two locals refused to cross Local 488's picket lines to enter the theater, thus failing to perform their customary duties.

Previously the baker's union had filed a suit in Federal District Court here asking \$1 million in damages from Hershey Estates, alleging some of its members were ousted from their quarters in the Hershey Hotel after the strike began. The company contended these quarters represented part of the employees' salaries, and since they were not working, they were not entitled to them.

The union's suit also asked an injunction restraining the company from interfering with collective bargaining and picketing.

The two sides met late last week for the first time since September 17, when the strike began, but no progress was reported in the negotiations, and no date was set for further talks.

## Emerson Boosts Prices Of Some Radio, TV Sets

By a WALL STREET JOURNAL Staff Reporter

JERSEY CITY, N. J.—Emerson Radio & Phonograph Corp. announced it would raise the suggested retail price on certain of its radio, television and high fidelity phonograph models 5% to 15%.

The price increase would be effective immediately, the announcement stated. Present suggested prices on radios range from \$17.88 to \$60; television sets \$128 to \$348; and high fidelity phonograph models 5% to 15%.

The prices of all models would not be affected, the company said. Of those changed, radios would be increased \$2, television sets \$10 and high fidelity units \$20.

Exclusive yours on Eastern's Golden Falcons... the most beautiful aircraft interiors ever designed... deep-cushioned reclining seats, all two abreast... air-conditioning on the ground and in the air... the most delicious meals in the skies, served with Eastern's compliment!

Never before such luxury aloft!

DC-7B . . . . . FLY EASTERN AIR LINES  
**Fly Radar Equipped**  
**GOLDEN FALCONS**

DC-7B's and Super-G Constellations  
... world's smoothest, quietest,  
most luxurious airliners!



## Little Goggomobile Unveiled to Dealers As Addition to Studebaker-Packard Line

By CHARLES O'BRIEN

Staff Reporter of THE WALL STREET JOURNAL

SOUTH BEND, Ind. — The small, economy car which Studebaker-Packard Corp. announced it will market this year will be the German-built Goggomobile, it was learned here.

The cars will be imported on a "knocked-down" basis, or in parts, and will be assembled by Studebaker-Packard in this country. Retail prices of the Goggomobile will be between \$1,000 and \$1,400.

Harold E. Churchill, president, announced earlier this month that the company will add an economy car to its present lines, which will sell at prices below the concern's Scotaman. The Scotaman is Studebaker-Packard's economy model, which retails in the \$1,800 to \$1,900 range.

### Widening the Price Range

Under a franchise agreement, the company now sells in the higher-priced bracket the flashy, German-built Mercedes-Benz cars. The Goggomobile, officials explained, will give the company complete coverage of all auto price ranges.

Two versions of the Goggomobile were shown to dealers at a meeting here last week. They saw a two-door roadster convertible and a small delivery van. Other models now in production by the German concern, Hans Glas Isaria-Vetriebs-K.G., of Dingolfing, Bavaria, include two and four passenger closed models. A dealer who attended the showing said he

and other dealers there "were very enthusiastic" about the car.

The Goggomobile assertedly will average from 38 miles to as much as 48 miles on each gallon of gasoline and will travel at speeds of up to 60 miles an hour. Each will have a two-stroke, fan-cooled engine mounted in the rear, with about a 17 horsepower output.

The two-door roadster, which will sell for about \$1,395, is 120 inches long, almost 54 inches wide, and about 48 inches high. The two-passenger closed model, which sells at about \$1,000, is slightly smaller.

### Officials Testing Goggomobiles

Studebaker-Packard officials, including Mr. Churchill, have been testing these cars, by driving them for their personal use.

At the South Bend meeting, dealers were given questionnaires and asked to write their opinion of the car and to list its potential market. They were also asked how the Scotaman cars had been received this year by customers, and how much lower in price the company would have to go to attract persons unable to afford even the Scotaman.

One company official explained that if dealers objected to handling the Goggomobile the company probably would not conclude its agreement with the German concern to import it. However, it was felt that since the company has gone this far, firm plans have been made to market the car in this country. Official spokesmen would say only the company is "considering" importing and selling the Goggomobile, but that a definite decision has not been made.

## Hagan Chemicals Sees Better Profit Margin, Rise in Sales in 1957

By WALL STREET JOURNAL Staff Reporter

PITTSBURGH—Higher sales volume plus more efficient operations will boost earnings of Hagan Chemicals & Controls, Inc., to a record level this year. "We're confident that we will earn about \$5 a share in 1957," W. W. Hopwood, president, said. He estimated that total

sales for the year would be approximately \$27 million.

Last year Hagan earned \$1,134,975, or \$3.78 a share, on sales of \$22,911,276.

Mr. Hopwood's estimate of sales and earnings for 1957 would indicate a sales-to-earnings profit margin this year of about 5.6%. This would compare with a 4.95% margin reported by Hagan in 1956. In 1955 the company earned 4.65% profit on sales.

Hagan Chemicals & Controls derives most of its income from the sale of chemicals used in both home and industrial water treatment and from engineering services to commercial and industrial water users.

## Certain-tee Products Says Third Quarter Net Will Top Like '56 Period

By WALL STREET JOURNAL Staff Reporter

PHILADELPHIA — Certain-tee Products Corp.'s 1957 third quarter earnings are expected to exceed the \$872,941, or 40 cents a share, the company earned in the third 1956 period, and third quarter sales should also rise above last year, Malcolm Meyer, president, said.

In the quarter ended September 30 last year, the Ardmore, Pa., concern's sales were \$25,885,752.

whoever  
heard  
of  
better  
reasons  
for  
choosing  
a fine  
resort-  
hotel!

- \* HARRY'S AMERICAN BAR—for amusing entertainment... dancing... congenial atmosphere!
- \* FAMOUS ENTERTAINERS—the world's best—year 'round in the beautiful Cafe Pompeii!
- \* SPACIOUS GUEST ROOMS—all supremely comfortable, with private baths, dressing rooms. TV in every room.
- \* FUN DAY AND NIGHT—a full schedule of activities—planned by our host and hostess!
- \* UNSURPASSED CABANA CLUB—tremendous pool, spacious pool deck, and private ocean beach
- \* GOLF at nearby 18-hole course
- \* INCOMPARABLE HEALTH CLUB and men's and women's modern solarium
- \* SUPERB FACILITIES FOR business meetings of all sizes!



• IN CENTRAL  
OHIO, MORE  
PEOPLE WILL BUY  
YOUR PRODUCT  
IF IT'S PRE-SOLD  
IN THE  
COLUMBUS  
DISPATCH

The Columbus Dispatch pre-sells Central Ohio best because it's read most. The Dispatch has a solid family coverage of home delivery, both daily and Sunday! City zone population? Over 502,000 at last count and growing fast.

In addition to blanketing the Midwest's number one test market, The Dispatch dominates a 12-county trading area with a net effective buying power of 1/4 billion dollars. Invest your advertising dollars soundly in Central Ohio... in The Columbus Dispatch. And for real sales records, use Dispatch ROP Full Color. Write for full information today.

## THE Columbus Dispatch

Read in 9 out of 10 Columbus homes

National Representatives: O'Meara & Ormsbee, Inc., New York; Chicago, Detroit, Los Angeles, San Francisco. Resort Representatives: McAskill, Hormes & Boley, Inc., Miami Beach.

WINSTON  
TASTES GOOD!

LIKE A  
CIGARETTE  
SHOULD!

NOW IN  
CRUSH-PROOF  
BOX, TOO!

THE TASTE IS TOPS... IN PACK OR BOX!

In a cigarette it's the flavor that counts. But if some folks prefer those good-tasting Winstons in a box, shouldn't they be able to get 'em that way? Sure they should! Starting now, you can buy America's #1 filter smoke in the crush-proof box or regular pack. So take your choice, Winston fans. Box or pack, Winston tastes good—like a cigarette should!

R. J. REYNOLDS TOBACCO COMPANY, WINSTON-SALEM, N.C.

Smoke WINSTON America's best-selling, best-tasting filter cigarette!

## Canadian Wood Pulp Output

MONTREAL—Output of wood pulp in Canada during August was 891,683 tons, 3.4% less than in the like 1956 month. Production for the first eight months was practically unchanged from last year at 7,088,319 tons, according to the Canadian Pulp and Paper Association.

## WHELAND THE FOREMOST NAME IN SAWMILL EQUIPMENT FOR OVER 90 YEARS

## COMPLETE SAWMILLS AND AUXILIARY MACHINERY

CIRCULAR SAWMILLS  
BAND SAWMILLS • EDGERS AND  
TRIMMERS • TRANSMISSION  
AND CONVEYOR MACHINERY  
LUMBER SORTERS

## THE WHELAND COMPANY

CHATTANOOGA, TENNESSEE



"How am I going to face my friends?  
They're all WOODwatchers!"

*(Everybody in Western Michigan is a WOODwatcher.)*

## WOOD-TV

WOODland Center, Grand Rapids, Michigan  
WOOD Broadcasting Inc. • A subsidiary of Time, Inc. • Licensee of Radio Station WOOD,  
5,000 watts, full-time, NBC • Television Station WOOD-TV, channel 8, 316,000 watts  
s.t.a., 1000-foot antenna, NBC Basic, ABC Supplementary • Represented by Katz Agency

## CONSULTANT STANDARDIZED DISTRIBUTOR ACCOUNTANT

- Degree in accounting or equivalent.
- Preferred between ages 25 to 35.
- Aviation-flying experience desired.

**Cessna**

Write Professional Placement Supervisor, Cessna Aircraft Company,  
5800 East Pawnee Road, Wichita, Kansas.

## School for Executives to Open Today in Former TB Sanitarium

### Management Association's New Academy an Economic Lift for Saranac Area

By LEE SILBERMAN

Staff Reporter of THE WALL STREET JOURNAL  
SARANAC LAKE, N. Y.—This picturesque Adirondack town is getting a new lease on life.

Until recently a leading center for the treatment of tuberculosis, the Village of Saranac Lake today becomes the site of another specialized activity—the first full-time "campus" devoted exclusively to training executives in business and industry.

This morning the American Management Association, non-profit executive training organization, opens its new Academy of Advanced Management on the stately grounds of the former Trudeau Sanatorium, located on a bluff rising above this community of 6,000 people. The association is taking over some 50 buildings on the 90-acre wooded tract which have stood idle since the closing of the famed health retreat in late 1954.

Trudeau's shuttering after 70 years of operation was widely hailed as a symbol of new inroads by medicine in curing tuberculosis, resulting mainly from development of new drugs and surgical methods.

This interpretation has since been found to have been somewhat over-optimistic. Although deaths from TB have been dropping dramatically, there hasn't been much of a decline in the number of people who succumb to the disease annually, and the number of hospital beds used for their care, according to the National Tuberculosis Association. However, the time TB patients must spend in bed generally has been cut in half.

#### Effects Elsewhere

The need for less expensive treatment, coupled with the higher cost of institutional care, has contributed chiefly to the closing of private sanatoriums the last two years in such places as Denver, White Haven, Pa., Ithaca, N. Y., and Walls Walla, Wash.

In Saranac Lake, whose main "industry" of TB care and research has included scores of small private rest homes, Trudeau's end accelerated a downturn in the economy already set in motion by post-war improvements in TB therapy. Over the last few years, Saranac Lake lost about 1,000, or nearly 15%, of its population, including relatives of patients, hospital attendants and employees of stores. The retrenchment process hit bottom last winter.

"A lot of people seemed to run out of money at about the same time," recalls Roger W. Tubby, co-publisher of the daily Adirondack Enterprise and once press secretary to former President Truman. "It wasn't unusual for a business firm's accounts receivable last December to be triple what they had been a year earlier."

Saranac Lake, situated about nine miles from Lake Placid in the heart of rugged Adirondack State Park, has been trying to make up for its health center losses by making a strong bid for the tourist trade. A number of hotels have sprung up in the area. And not long ago, the village took over the exhibition of a cottage which Robert Louis Stevenson occupied in 1887, while battling a TB siege.

But the shrine that holds the most sentimental value for the townspeople themselves is the Gutzon Borglum statue of Dr. Edward Livingston Trudeau, founder of the sanatorium bearing his name, which the A.M.A. has agreed to preserve on the Academy grounds.

### Firth Carpet Expects This Year's Earnings To Be About Equal to '56

By WALL STREET JOURNAL Staff Reporter

NEW YORK—Firth Carpet Co.'s sales for the year to date are 4.7% ahead of last year, but earnings are about equal to last year's pace, Ade Schumacher, president, said.

Mr. Schumacher said the company expects to hold the percentage of sales gains through the end of the year, but he expected earnings for the year ending December 31 to be about the same as last year's \$1.40 a share earned on net sales of \$24,822,666.

Mr. Schumacher and William W. Harts, Jr. vice president and treasurer, said earnings have been effected by non-recurring costs involved in opening the company's new Greenville, N.C., plant, expected to be operating capacity by the end of November. In addition, they said profits have been hurt by heavy advertising, promotional and merchandising expenses in launching the company's Acrlan carpet line introduced early this year. The officials said the Acrlan carpet sales have "exceeded the budgeted figures by a substantial amount" and have been one of the reasons for Firth's higher sales this year.

Mr. Harts said the new synthetic fiber should provide stability to offset wide fluctuations in foreign carpet wool prices.

During the first half, Firth called in its preferred stock, removing all restrictions on the company's \$6,596,765 earned surplus, but Mr. Schumacher said the company's dividend policy "will remain conservative." The company has paid 15-cent quarterly dividends plus an extra of five cents in December. Since "money is limited in availability," Mr. Schumacher said Firth would put its earnings back into the business.

"Firth does not intend to stand still," he asserted. "We will expand to be competitive and prosper in the industry." He said capital expenditures this year have been the highest in the company's history.

### SINGLE or DOUBLE-BREasted SUITS MODERNIZED

\$19<sup>50</sup> POSTPAID

Convert your old-fashioned wide-lapel single or double-breasted suit or tux to a smart new single-breasted model for only \$19.50 postpaid. Our master tailors recut and re-shape coat collar and lapels to modern single-breasted styling. Shawl collar suit \$4.50 extra. Coat size altered if desired. Satisfaction guaranteed. Write for FREE details or send coat and check today.

Master Tailors Since 1920  
ROBERT TAILORING CO.  
Dept. WS-11, 621 Prospect Ave., CLEVELAND, O.

### Initial Jobless Pay Claims Drop

WASHINGTON—New claims for unemployment compensation declined in the week ended September 21, largely because of a tapering off of layoffs in the auto industry, the Labor Department said.

The new claims totaled 231,900, down 23,

100 from the week before. For the week ending September 22 a year ago, the total was 285,300.

Total unemployment payment figures, which run a week behind the statistics on new claims, have not yet shown the pickup in the auto industry. As of September 14, 1,169,200 were on the unemployed payment rolls, up 43,000 from the week before.

Whitney learned how to make muskets from his experience in making cotton gins.



The heart of the ginning process—fine-toothed saws reach between accurately spaced ribs to pick lint from the cotton seeds.

### Mass Production in the U. S. Began With Cotton Gins

The multiplicity of common parts in cotton gins spawned the system of manufacturing by production of interchangeable parts—Whitney's famed "uniformity system." With this production "know-how" he secured his first army musket contract.

Continental and its predecessor companies have been mass-producing cotton gins and other intricate machines since 1832—just 32 years after Whitney made his famous ten-musket demonstration—and today "The Gin Company" is recognized as one of the foremost producers of standard and special machines for many of the nation's leading industries. Included in the list of Continental's successful production accomplishments are found sealing machines, automatic and standard lathes, boring and super-finishing machines, steel rolling mills, diesel engines, hydraulic pumps, baling presses, standard and special conveying and materials handling systems, and many other equally diversified products.

A completely equipped 22-acre plant—recognized as the most modern and complete in the South—offers facilities and craftsmen to expand production or relieve overload in your plant. Whatever your problem, if it requires extensive facilities and skilled production "know-how," see "The Gin Company" first!

ATLANTA • DALLAS • KNOXVILLE • CGC • MEMPHIS • MOBILE • NEW YORK 19

INDUSTRIAL DIVISION  
Continental Gin Company  
BIRMINGHAM, ALABAMA



The close of our 30th year was also the close of the greatest single year's expansion in the Company's history. In all important areas of growth, important gains had been recorded.

Total loans made—our volume of business—was up 11.3% to a new all-time high.

Notes receivable at the year's end—the business on our books at the close of the year—was up 13.6%.

Revenue rose 11.8%, and net earnings advanced to \$2.39 for common shares.

The July 1, 1957 dividend, declared May 27, 1957, was the 114th consecutive quarterly dividend paid on common stock. A record which started in 1928.

### HIGHLIGHTS

	June 30, 1957	June 30, 1956
Total Loans Made	\$193,013,213	\$175,887,151
Number of Loans Made	471,966	458,698
Average Loan Made	\$409	\$378
Notes Receivable at Year End	\$117,995,827	\$103,863,833
Average Loan Balance	\$323	\$299
Number of Employees	1,840	1,748
Number of Branch Offices	247	214

### EARNINGS AND DIVIDENDS

Revenue	\$27,606,005	\$24,690,870
Operating Expenses	\$14,265,386	\$12,753,417
Taxes on Income	\$4,505,000	\$4,500,000
Net Earnings	\$4,971,320	\$4,600,019
Earnings for Common Stock	\$4,937,512	\$4,636,452
Shares of Common Stock	2,065,713	2,042,901
Earnings Per Share	\$2.39	\$2.22
Dividends Paid Per Share	\$1.50	\$1.50

Copy of 1957 Annual Report available on request. Write Department N

**FAMILY FINANCE CORPORATION**  
200 WEST NINTH STREET WILMINGTON 99, DELAWARE

LET "Free Money"

MAKE MONEY FOR YOU

The money you have frozen in accounts receivable can't earn a penny for you — normally not for 30 days or longer. Only when your capital is free to go to work at a moment's notice can you take advantage of every profit opportunity as it arises.

Now you can *free* money normally frozen in accounts receivable — and get the cash you need, as you need it. Through Commercial Factors' "Protected Profit Program" you get cash as you ship, even if you sell on extended terms. In this way, you are never "tight for cash," because all your capital keeps working all the time to increase your turnover and profits. At the same time you are protected against all credit losses and relieved of all collection chores and expenses.

Commercial Factors also provides overadvances, where necessary, for seasonal inventory accumulation, expansion and modernization of plant and equipment, and other purposes.

Let us tell you more about our "Protected Profit Program."

**Send Today For Free Brochure**

This brochure describes in detail all the key features of the "Protected Profit Program" and offers valuable information on how to expand your business and reduce your profits.

For your copy, call or write Mr. D. Moran, V. P., Dept. J-24

**Commercial Factors**

Corporation

5 Park Ave., N. Y. 16, N. Y. MU 8-1250

**OFFICE EXECUTIVES!!**

**OFFICE TEMPORARIES, Inc.**

has experienced, personable  
OFFICE HELP

**AVAILABLE NOW**

(OR FOR YOUR BUSY SEASON)

For 1 day, 1 week, or longer

**TEMPORARY CLERKS,**

**TYPISTS, STENOS, etc.**

**M.R. CARTER WO 4-0038**

Main Office: 39 Cortlandt St.

BRANCHES SERVING GREATER NEW YORK

**Over-the-Counter Markets**

FIRST CALIFORNIA COMPANY

ESTABLISHED 1919 INVESTMENT SECURITIES

## Who's News

### Management— Personnel Notes

#### Commerce and Industry

Campion Advertising, Inc. (New York)—John Egan was named vice president.

The American Home Magazine (New York)—John J. Verona was appointed vice president and advertising director.

American Steel Foundries (Chicago)—New appointments are: C. E. Grigsby, vice president and general manager; William C. Taylor, vice president-sales; John C. Day, assistant vice president; Carl E. Tack, vice president and chief mechanical engineer.

Warner-Lambert Pharmaceutical Co. (Morris Plains, N. J.)—William N. Enes was named sales director of Warner-Chilcott Laboratories, a division.

American Cable & Radio Corp. (New York)—Charles D. Hilles, Jr., executive vice president of International Telephone & Telegraph Corp., was elected a director.

Aetna-Standard Engineering Co. (Pittsburgh)—James H. Higgins, vice president of Mellon National Bank & Trust Co., was named a director.

Molybdenum Corp. of America (New York)—Adm. Arthur W. Radford, former chairman of the Joint Chiefs of Staff, was elected a director.

Harris-Intertype Corp. (Cleveland)—Three new directors are: John W. Hooper, president of Lincoln Savings Bank of Brooklyn, N. Y.; Oswald L. Johnston, New York attorney; and Richard B. Tullis, vice president, who was also promoted to executive vice president.

Alan Wood Steel Co. (Conshohocken, Pa.)—Robert R. Titus was elected a director.

Airborne Instruments Laboratory, Inc. (Mineola, N. Y.)—Donald M. Miller was named executive vice president.

Phileo Corp. (Philadelphia)—Adm. Arthur W. Radford (U.S.N. Ret.) was elected a director.

Johnson & Johnson (New Brunswick, N. J.)—Floyd L. Wideman was appointed director of the new products division.

Morton Salt Co. (Chicago)—James H. Birch was named vice president and a director of Canadian Rock Salt Co., Ltd., and also of Canadian Rock Salt Co., Ltd., subsidiaries.

Chett, Peabody & Co. (New York)—James F. Haley was named secretary of this producer of men's and boys' furnishings.

Republic Industrial Corp. (New York)—

A. E. Van Cleve, a vice president, was elected a director. Republic manufactures forgings, stampings, springs, cranes and other products.

Mack Trucks, Inc. (Plainfield, N. J.)—George E. Engelmann was named vice president-administration, and Charles G. Hofreiter was appointed treasurer.

Scott Paper Co. (Chester, Pa.)—Thomas J. McCabe, Jr., was named director of advertising.

Fruehauf Trailer Co. (Detroit)—R. N. Biggers was named vice president and general manager of the Hobbs Trailers division.

Railway Express Agency (New York)—Paul Gross, Jr., was appointed vice president and secretary.

Continental Can Co. (New York)—John G. Murray, vice president, was named director of technical development, succeeding Maj. Gen. C. L. Adcock, who retired.

American Fire Insurance Group (New York)—Newell R. Luisby was named vice president of Fidelity & Casualty Co. of New York, an American Fire company.

Lawyers Mortgage & Title Co. (New York)—Jerome F. Katz was elected president, director, and chief executive officer.

Frechling, Meyerhoff & Co. (Chicago)—Stanley M. Warsaw and Kurt B. Karmin were admitted to partnership in this securities firm.

The Franklin Savings Bank (New York)—Thomas W. Keesee, Jr., was elected a trustee of the bank.

Southeastern Factors (Charlotte, N.C.)—Frank W. C. Timson, formerly vice president of Crompton-Richmond Co., New York, was appointed vice president.

Interstate Finance Corp. (Evansville, Ind.)—Richard E. Meier was elected chairman, a new post, continuing as chief executive officer of this consumer credit and insurance firm.

John T. Rimstad, executive vice president, will serve as vice chairman, also a new post, and as president of Merit Life Insurance Co., Inc., a subsidiary. On October 1, when these appointments become effective, Leland M. Feigel will become president and chief administrative officer; Ralph J. Tyring, executive vice president; Joseph C. Nelson, vice president and Webster R. Vause, treasurer.

turn out to be the best period of the year in terms of sales and earnings.

Second half sales and profits, he said, should be ahead of the preceding six months. For the first half of this year the company reported \$13.8 million in sales and a net income of \$372,000 or 29 cents a share.

Norden-Ketay designs and manufactures weapons systems and aircraft and missile components. At present, Mr. Roehm said, about 20% of the company's business is with the Government either as a prime or subcontractor.

Phileo Plans Transistorized Radio

NEW YORK—Phileo Corp. announced it will market a fully transistorized shortwave radio that will operate on flashlight batteries in November.

The set, which will retail for \$225, will be the first all transistor set to pick up six short wave bands as well as the standard band, the company stated.

The set weighs less than 20 pounds and is approximately 16 inches in width, 11 inches in height and 7 inches in depth.

Sales for all of 1957, he forecast, would reach \$30 million and net income would be about \$750,000. That would compare with sales last year of \$22.7 million and a net loss of \$505,280. The company has a tax loss carry forward of approximately \$475,000.

Mr. Roehm said his prediction was based on expectation that the fourth quarter would

Move a new home  
into your  
house!

New rooms for old from BASSETT

LIFE

**BASSETT**

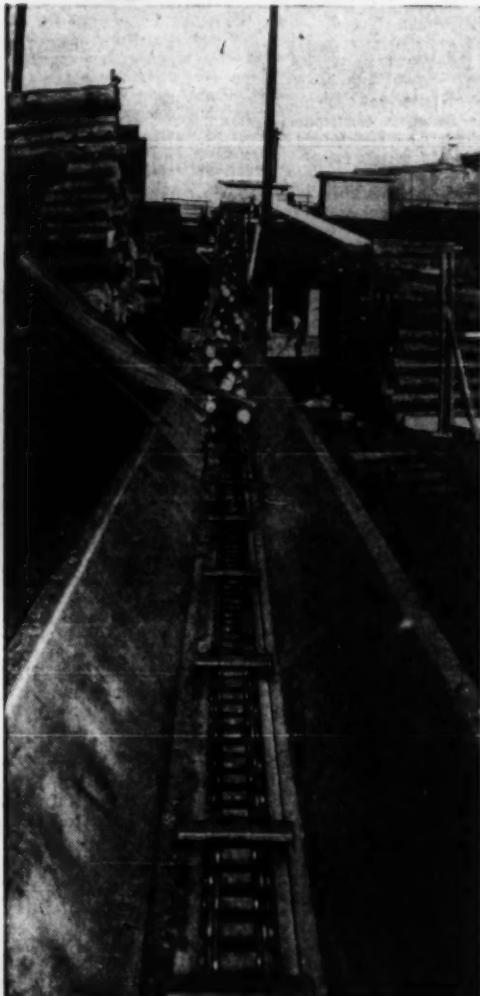
Lovely suites...so easy to own!

**New rooms for old . . .** from Bassett is proclaimed by all the VanSant-Dugdale September advertising for the world's largest manufacturer of bedroom furniture. A full color spread in *Life* launches this jolting campaign, while retailers tie in with point of sale and newspaper advertising visibly duplicating the national theme (see above). NEW ROOMS FOR OLD marks Bassett's first anniversary of

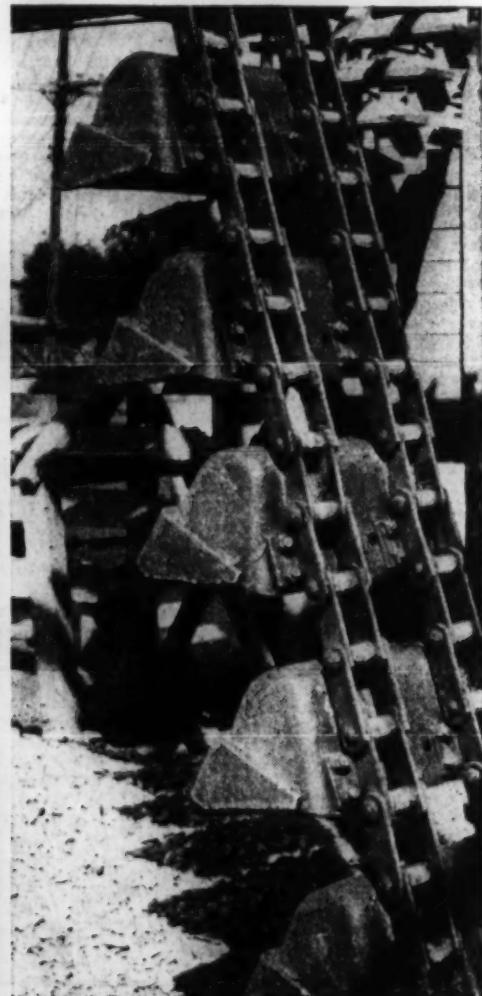
SUCCESSFUL ADVERTISING BY **VanSant-Dugdale . BALTIMORE**

VANANT, DUGDALE & CO., INC.—ADVERTISING • MARKETING • PUBLIC RELATIONS—BALTIMORE 2, MD.

## Long life runs in this chain "family"



BRUTE PUNISHMENT from thousands of pulpwood logs dropped from railcars is shrugged off by Link-Belt C-class chain conveyor. Pusher attachments are also designed by Link-Belt.



CARRIED 375,000 TONS OF STONE: Long past the life of previous chain (60,000 tons), Link-Belt Class SS bushed chain is still good for a long stretch of service.

How Link-Belt designs, manufactures, and applies chain, to improve drive, conveyor and elevator performance

WHAT'S behind the remarkable chain performance reported by so many Link-Belt users? Unequalled metallurgical and design development... plus over 80 years of manufacturing and application experience—these are the bases of any recommendation from the world's most complete line of chains

**LINK-BELT**

One source... one responsibility for materials handling processing and power transmission equipment

**LISTEN !**

... and you'll hear a price  
that says "This is the Rocket  
that's easily within your reach!"

Every Week  
on CBS-TV  
"THE BIG RECORD"  
starring  
PATRI PAGE



**OLDS gives you more!**

SEE YOUR AUTHORIZED OLDSMOBILE QUALITY DEALER NOW!

## REVIEW and OUTLOOK

### Beyond Little Rock

When President Eisenhower and the Southern Governors meet tomorrow to discuss not only Little Rock but the whole question of public school segregation in the South, we think there are a few things that ought not to be obscured by the emotions of the moment.

Legal segregation of the races, in the public schools and elsewhere, is inevitably coming to an end, however, slowly.

Desegregation under the law is not the same thing as integration. The one can be achieved by bayonets. The other cannot.

Bayonets can force the abrupt end of segregation only at a terrible cost. The penalties of using Federal military power at local levels will be paid not only by the White Southern community but by the whole nation, including the Negro citizens in whose name the force is invoked.

We have come to our present pass in Little Rock because one or another of these things has been forgotten, or been disbelieved, by the people involved. If they continue to be forgotten, what lies ahead may be worse.

It is not just the Supreme Court decision that makes the end of segregation as a system of law foreseeable. Neither Court decisions nor soldiers can alter the mores of people. But in this instance the mores of the people are being altered by the pressures of time and new generations. The body politic is coming to view legal segregation as an anachronism. Although the trend may not be so noticeable in the South as elsewhere, it is felt there too. And in time it will carry the day.

Integration is another matter. Legal segregation ends the moment that being a Negro is not by itself a bar to a public place. It is many days' journey from this to being an integral part of the community in the broadest social sense. An

### Ouchi

The Hon. Xenophon Zolotas, governor of the Bank of Greece, has addressed a joint meeting of the International Monetary Fund and the World Bank. Mr. Zolotas noted he had always wished to speak before the assembly in Greek, but realizing he wouldn't be understood, would address the assembly in English which used only the Greek words scattered through our language.

Said he: "I eulogize the archons of the Panethic Numismatic Thessauri and the Oecumenical Trapeza for the orthodoxy of their axioms, methods and policies, although there is an episode of cacophony of the Trapeza with Hellas."

### The Aid of Trade

In the past five years the volume of trade between Eastern and Western Europe has doubled, according to a U.N. economic commission. The commission concludes that this trade expansion has contributed to the economic development of Western Europe.

The conclusion is one you might think is self-evident, but unfortunately it does not appear self-evident to many of our Government officials. The U.S., for instance, has steadfastly opposed East-West trade in the Orient on the grounds that its primary benefit would be to Communist China.

The experience in Europe ought to be a reminder how short-sighted this can be. To be sure the Eastern, or Communist, part of Europe benefited from the trade; Poland, Hungary, East Germany and other Iron Curtain countries have acquired steel and manufactured goods they could not otherwise get. In 1952 there was only a trickle of steel flowing from West to East; in 1955 shipments to the East totaled 400,000 tons; in 1956 it was over a million tons.

But to view this simply as an unfortunate business of "helping the Communist enemy"—even from the strictly military viewpoint—is to overlook two vital factors.

For one, the trade that went East was paid for by trade that came from the East. To take only a couple of il-

lustrations from the past two years: Western Europe gained 1.1 million tons of Eastern grain in 1955; 1.8 million tons in 1956. In the two-year span Western Europe received about 40 million tons of coal from Poland alone.

This tit-for-tat aspect of foreign trade is only part of the story. The steel that was shipped East, for example, came from West Germany, Belgium, Luxembourg, Italy and Austria. The existence of the Eastern markets contributed to the strength of the steel industries in those countries and hence to their economic strength. In the end, Western Europe will be stronger economically (and in the sinews of war, if defense becomes necessary) because of this foreign trade.

The principle is nowise different in other places. If Japan increased its trade with Red China, that would without doubt help Red China. But if China proved to be a big market, then trade could help make the difference between a weak Japan and a self-supporting Japan.

One of the ironies of our foreign policy is that we spend huge sums of money to aid our wished-for allies and then do our best to hobble their development of foreign trade because all we can see is that their exports may help the Communists. Maybe in time we will recognize that a healthy trade is the best aid our friends can get.

two ways: It reduced value of inventory and resulted in lower profit margins for the company's wire products.

Mr. Gordon said he believed copper's price would stabilize around current levels, 26 cents quoted by custom smelters and 27 cents quoted by large domestic producers. Last year the producer price had risen to as high as 46 cents a pound, and custom smelter's quotation had advanced to 55 cents a pound. Mr. Gordon said there had never before been a drop of this magnitude in the basic major commodity. "We think we have been very fortunate to have taken this in our stride."

Stockholders were told the company has purchased 62 acres in Linden, N. J., for its Hattfield Wire & Cable division. The company plans to construct a plant there for the manufacture of rubber covered wire and cables. Cost of the plant will be about \$6 million to \$7 million, and it will take two or three years to complete, officials said.

For fiscal 1957 the company reported net sales of \$68,586,000 and net income of \$3,112,332 or \$1.60 a share on 1,880,138 common shares. That was the second best year for the company, exceeded only by fiscal 1956 when sales were \$73.3 million and net \$4,011,035, or \$2.03 a common share.

Mr. Gordon said sales and earnings in fiscal 1957 had been adversely affected by the sharp decline in copper prices. "We had anticipated a drop in the price of copper," he said, "but the drop was much larger than expected." The copper price decline affected Continental in

## Letters To the Editor

### What Squeeze?

*Editor, The Wall Street Journal:* Your article "Squeezed Schools" (Sept. 3) was read with considerable interest.

I admit the public schools are not doing so good when it comes to turning out a finished product nor are the schools in my town anything to get up and shout about, but the salary situation is something different.

Last May the taxpayers of this community woke up one morning to find that the school superintendent here had been very graciously voted by the school board a raise in salary to \$20,000. Population here is a shade over 90,000 so I would say that salary-wise our school superintendent is doing mighty well.

HARRY H. LEFLAR  
Burbank, Calif.

### With a Grain of Salt

*Editor, The Wall Street Journal:*

The writer of your "Squeezed Schools" article of September 3 nodded when he used for publication, without cautionary comment, the chart of the U. S. Office of Education.

According to the lines on this chart, the increase in students has paralleled the increase in expenditures for their education since 1944. Nowhere in the article was note taken of the underlying significance of the two contrasted elements of the chart—the increase in cost of their education vis-a-vis the increase in number of public elementary and high school students.

The chart's gimmick lies in the fact that the left-hand scale for expenditures extends from 0 to 12; the right-hand scale for students, only from 22 to 34. Between 1944 and 1957, students increased from about 23 million to about 32 million, an increase of substantially less than 50%; expenditures for their education increased from some \$2 billion to about \$12 billion, an increase of some 500%.

Allowing for a shrinkage of 50% in the value of the 1944 dollar, this still shows a 200% increase in purchasing-power applied to their education, as against only a 50% increase in number of students.

Expenditures have increased to about six times the 1944 level or, as thus adjusted for difference in purchasing power, three times; student-body have increased to less than one and one-half times that level. Indicated annual expenditures per student quadrupled from about \$87 to about \$353, involving the doubling of the purchasing power applied to the education of each student.

In short, we are now spending twice as much (in real money) for the education of each young person as was being spent only 13 years ago.

Thus, contrary to the propaganda being generated by the U. S. Office of Education and the more militant elements of the education profession, education of American youth is not being short-changed. Better school buildings and equipment, smaller classes, higher teacher salaries (in purchasing power, as well as in dollars), have contributed to this great excess in increase of expenditures over increase of students. One takes with a grain of salt the U. S. Office of Education's "estimate" that "This month's record enrollment of 39,084,000 in elementary and high schools alone will have to be crammed into facilities adequate for only 30 million students." "Adequate" is a relative term, depending on how high the standard is set.

CHARLES C. TRELEWAN  
Newark, N. J.

### Schools and Dollars

*Editor, The Wall Street Journal:*

In connection with the so-called "school building crisis" I think emphasis should be placed on the fact that there are other public needs and that school authorities should not be given a "blank check."

It makes sense to assume that better schools can be had by spending more money and that high educational standards help to create a healthy economic environment. But it does not follow that the best schools are always the most expensive schools or that the taxpaying public should be asked to provide an ever increasing amount of money for schools without some evidence that they are actually buying an improved school program.

Too often school budget requests are defended in terms of average costs incurred somewhere else instead of analyzing benefits or work programs and balancing them against costs, as is usual for other public services.

Too much auxiliary space for non-academic purposes has the effect of impeding the efforts of local communities to provide needed classrooms. Also, improvements in basic salary schedules for teachers should be publicized as a step in the intelligent recruitment of teachers.

It follows, therefore, that the real need is for effective administration and wisdom in school building planning rather than "X" number of dollars.

WILLIAM J. MCGLOTHLIN  
Harvey, Ill.

## Hoffman Electronics Trims Estimate of '57 Net to \$2.25 a Share

LOS ANGELES—Hoffman Electronics Corp. will report net income of about \$1,700,000, or \$2.25 a share, on sales of approximately \$40 million for calendar 1957, C. E. Underwood, vice president and treasurer, stated.

Mr. Underwood earlier this year had predicted Hoffman would earn about \$2.45 a share in 1957. In 1956 Hoffman earned \$1,600,000, or \$2.19 a share. Sales last year totaled \$46.6 million, well above this year's expected volume.

Mr. Underwood blamed a stretchout in an Air Force contract, which has set back production schedules in the firm's Hoffman Laboratories division, for the less optimistic outlook. He said the company will earn about 48 cents a share for the third quarter, but that fourth quarter per share income will be held down to about 60 cents instead of an anticipated 80 cents.

Asked if the company plans any new acquisitions, stockholders were told "we are working on one right now that may supplement our business, but we have no idea what the final decision will be. There is nothing tangible or concrete to report now."

However sales and earnings in 1958 are expected to bounce back and top 1957 levels by 20%, Mr. Underwood emphasized. This would indicate net income in the neighborhood of \$3 million, or about \$2.90 a share, on sales of approximately \$48 million.

## Spending Fatigue

### An Audience Shows It's Fed Up With High State Costs

BY JOHN F. BRIDGE

Forbes has voted for spending even more than was spent.

Thus the Governor has his innings. He stresses "integrity" in his government—his cabinet of "experts" which includes Republicans as well as Democrats. He asks Mr. Forbes just where he would cut spending.

As a logician, and trained lawyer, he seems to turn aside most of the Forbes charges, noting that most of his higher expenditures are for schools, roads and institutions, and challenging assertions of general inefficiency. He repeats a pledge that taxes will not be raised.

But time after time the State Senator comes back to his theme, the theme that gets the applause, even though there are no details: The rise in state spending must be stopped—the rise that foreshadows higher taxes. "Within the framework of the present budget, I would hold down spending. I would call my cabinet around me and tell them—you must hold your spending at the present level as ceiling. You must act like the heads of the families who pay taxes. You must say I have so much income to spend. I will spend it thus and so and give up things I cannot afford."

### What Government Takes

And he philosophizes: "Every function of the family that is taken by government takes from the family's sense of responsibility. And every service has its price. And with the paying of the price by the family through taxes, the family loses that much more ability to handle its problems."

The enthusiasm he raises touches most segments of the middle class audience. It is not surprising that the pocketbook approach touches many. But one can wonder about some of the town's numerous "sophisticates."

You can wonder because of the man sitting beside you. An engineering theorist for a mammoth corporation, he commutes daily to New York City some 20 miles away, nurses a string of psychosomatic ills and is outwardly as emotional as his slide rule. As he takes his seat, he cocks an ear at the public address system playing the inevitable Sousa march quite softly and perhaps in high fidelity, and quips: "Get the mood music."

But 20 minutes later he joins in heavy applause for the Senator's very general denunciation of the evils of high taxes. And when the Senator in a few sentences gets from high taxes to still higher taxes to Meyer to impending socialism, his applause is thunderous.

### Jammed Hall

And the High School auditorium is jammed. The law abiding standees in the aisles politely refuse to budge when the fashionably attired moderator of the forum, Mrs. Donald E. Van Dyke of the League of Women Voters, politely asks the policemen to make them do so, and the police politely ask them to do so.

He tells the Westfielders of "the 60% rise in the New Jersey budget in the past 44 months"—the length of time the Democrats and Governor Meyer have held the governor's mansion in the state. The Governor, when his turn comes, notes that the Republican-controlled legislature has approved these expenditures. He claims that Senator

Forbes indicated he said Northeast is seeking to acquire additional four-engine planes to supplement its 10 Douglas DC-6B aircraft. Some of them may be used planes, he stated.

Mr. Massfield said negotiations with Howard Hughes, who controls Trans World Airlines through his ownership of Hughes Tool Co., concerning the purchase of a minimum of 15 Britannias, are continuing. Another Bristol official, however, said that some decision one way or the other would probably have to be reached fairly soon.

Mr. Massfield also said the problem of icing of the carburetor on the Britannia occurred only in tropical climates at altitudes of 18,000 to 22,000 feet, and that it would not affect operations over the North Atlantic or in the United States. He also expressed his confidence that the problem would soon be eliminated entirely.

### Louisiana Corrects Oil Allowable

BATON ROUGE—The Louisiana Conservation Department announced a correction in the state oil production allowable total for October, reducing the previously announced figure by 3,000 barrels to a total of 774,428 barrels a day.

## PEPPER.... and Salt

### Twisted Shakespeare

Richard Arnowt, who last year had fun with famous American history in "All Started With Eve," has now written a shrewd crazy book on the Bard, entitled, "Twisted Tales From Shakespeare," (McGraw Hill). It is dedicated "to the memory of Shakespeare, which was certainly better than mine." Here is an excerpt from "Macbeth," one of the six plays retold.

Meanwhile, Lady Macbeth, who has been trying to remove Duncan's blood from her hands for weeks, keeps washing them without any luck (or Lux, either). When she isn't washing them, she is wringing them.

"Out, damned spot!" she shrieks, losing her temper and foolishly thinking an imprecation will succeed where cleaning fluid has failed. Self-possessed as she was in the first act, she is now a bundle of nerves, and none too securely bound together.

Night after night she walks in her sleep, muttering about blood and Banquo's ghost. Unfortunately the court doctor hasn't even a love seat, much less a couch, in his office. He is therefore "unable to minister to a mind diseased," and stands helpless by.

"What's done cannot be undone," Lady Macbeth mutters, struggling with a knot in her stomach. As she sleepswalks, she carries a candle in her hand, leaving a trail of tallow drippings.

Finally Lady Macbeth dies,

this being the only way she can give up the ghost. Macduff, Malcolm, and their army are now at Birnam Wood, while Macbeth remains at his castle at Dunsinane. "Tomorrow, and tomorrow, and tomorrow," he says over and over to himself, rather like the song.

Alarm clock commences to go off, signaling the beginning of the battle. Macbeth rushes to the field, still thinking he leads a charmed life. Only

when the enemy soldiers camouflage themselves with trees does Macbeth realize that the witches have played False (Scottish form of Scrabble) with him. Then, when Macduff casually mentions that he wasn't born of woman, or at least not in the usual way—Macbeth is forced to quit.

"Lay off, Macduff, I've had enough" (in another version "Lay off, Macduff, I've had enough") is his unforgettable cry.

## The Theatre

### Tough and Tender

*West Side Story*, a musical presented at the Winter Garden by Robert E. Griffith and Harold S. Prince. Book by Arthur Laurents, music by Leonard Bernstein, lyrics by Stephen Sondheim. Jerome Robbins directed and did the choreography. Irene Sharaff did the costumes and Oliver Smith the settings. Carol Lawrence, Larry Kert, Chita Rivera, Art Smith, Mickey Caine and Ken Le Roy have leading roles.

New York City

The American "musical" stage, with its South Pacific, its Guys and Dolls and its Porgy and Bess, proved that it has still another dimension when *West Side Story* opened at the Winter Garden.

Musicals of the past have usually been dominated by the composers and lyricists, but here is one dominated by a choreographer, Jerome Robbins, whose idea it was that the story of Romeo and Juliet could be set in modern juvenile gangland.

Although Leonard Bernstein has composed a supercharged score, Arthur Laurents has written an excellent book and Stephen Sondheim added quite appropriate lyrics, it is the tremendous pace and vigor of the dancing and the movement of the young people about the stage which makes *West Side Story* such a tough, tender and wonderful evening.

Instead of Montagues and Capulets, the warring clans are the Puerto Rican gang known as the Sharks and the "native" gang called the Jets. Maria, a Puerto Rican girl, is *West Side Story's* Juliet. She is beautifully played, sung and danced by Carol Lawrence, who under Mr.

## Business Milestones

### Florence Stove Stockholders To Vote on Sale of Unit

CHICAGO—Stockholders of Florence Stove Co. will meet November 14 to vote on a recommendation by the directors that the company sell its space heating business and Lewisburg, Tenn., plant.

Under a plan approved by Florence Stove directors, the purchaser will be Heil-Quaker, Inc., a new company to be jointly owned by Heil Co., Milwaukee, and Sears, Roebuck & Co.

A Florence Stove official said the space heating business and plant will be sold for book value. At the time the transaction is completed, he said, this would be about \$5 million.

If the plan is approved, each stockholder of record on November 29 will be invited to tender to the company, for purchase at \$31.50 a share, one share of stock for each three shares held. The stock would be tendered between December 16, 1957, and March 14, 1958.

There are 387,080 common shares outstanding. The stock closed Friday on the New York Stock Exchange at \$19.75.

### Harvester Sells Factory To Indiana Citizens' Group

CHICAGO—International Harvester Co.'s farm implement factory at Richmond, Ind., is being purchased by Richmond Industrial Center, Inc., a local citizens' group. Harvester announced a year ago it would permanently discontinue its Richmond operation and has been gradually curtailing production.

The factory's purchase price was not disclosed. The sale becomes effective November 1. Wilson L. Magaw, president of the Richmond group, said the citizens hope to sell or lease parcels of the plant.

The property covers more than 10 acres and includes some 625,000 square feet of building area. Foundry machinery and 300 machine tools left in the plant are included in the sale.

### Allied Chemical Sets Expansion

NEW YORK—Allied Chemical & Dye Corp. is proceeding at once to double the capacity of

its caprolactam plant at Hopewell, Va., Glenn B. Miller, president, stated. Caprolactam is a basic raw material for making nylon fibers and plastics. The new program will increase the capacity of the plant to 80 million pounds a year.

Mr. Miller said caprolactam is sold to other producers of synthetic fibers and nylon plastics and is used by the company in the production of its own new nylon fiber, Caprolan. The plant uses an original process first placed in operation in 1955.

General Tire Acquires Firm

CLEVELAND—General Tire & Rubber Co. of Akron is widening its line of industrial rubber goods through the acquisition of Castle Rubber Co., a closely-held company headquartered in Butler, Pa.

General Tire declined to disclose terms of the acquisition of the Pennsylvania firm which employs 375. A General Tire spokesman said Castle Rubber does an annual business volume of about \$3 million.

Castle produces large rubber-covered rolls for the steel industry, other wrapped mechanical rubber goods, specially designed snubbers used in oil wells, chemical linings for containers and a variety of other rubber products made to customer specifications.

The acquisition brings to General Tire a group of entirely new products, W. O'Neill, president, said in an announcement, "and enables us to offer a more comprehensive line of industrial rubber goods."

### National Tea Acquires Chain

CHICAGO—National Tea Co. acquired Devan-Horner, Inc., a chain of seven super markets in Mobile, Ala. The cash terms were not announced.

National Tea last week acquired the nine-store chain of Logan Super Markets in Nashville, Tenn. The acquisitions are part of the company's program to expand into "gap areas" existing between the firm's regional branches.

### Fulton Bag Sells Denver Plant

DENVER—The newly-formed Fulton-Denver Co. has purchased the plant here of Fulton Bag & Cotton Mills Co., W. Jay Slifer, presi-

dent of Fulton-Denver, announced. Purchase price was not disclosed.

The plant has four giant cut-fold and print machines, each capable of printing four colors at one time. The machines produce a full line of burlap, cotton, mesh and multi-wall paper bags. Capacity of each machine is between 20,000 and 25,000 bags daily.

### Government Acts to Permit Wider Use of Titanium

WASHINGTON—The Government acted to permit producers of titanium mill products to try and develop greater commercial uses.

It said that starting in October, these producers can devote less of their capacity to defense orders.

At present, producers of titanium mill products must accept defense orders for up to 90% of their scheduled production. Under a new directive of the Business and Defense Services Administration, starting in October they need accept rated orders only up to 75% of scheduled production.

B.D.S.A. officials explained producers of titanium mill products had greatly increased their capacity with the result capacity is now considerably in excess of that needed to meet defense requirements. They said the new directive would permit producers to increase their efforts to develop commercial applications for the metal, since they can now schedule and deliver unrated orders with less likelihood that these will be displaced on their schedules by orders with defense ratings.

### Ex-Cell-O

EX-CELL-O CORP. and wholly-owned subsidiaries report for nine months ended August 31:

	1956	1957
Earned per share	\$2.25	\$2.25
Sales, less from leased mach	129,639,039	106,829,464
Net before income taxes	23,492,259	21,769,962
U.S. & Can income taxes	12,346,845	11,248,576
Net income	11,145,414	10,521,386
Capital, shares	10,000,000	10,000,000
a-Includes sales and earnings of Cadillac Cage Co. and Smith Bearing Co. acquired December 1, 1956, adjusted to reflect two-for-one stock split in April, 1957.		
For the six months ended May 31, last, net income was \$8,174,440 or \$2.25 a share as compared with \$2.25 a share (adjusted for two-for-one stock split in April, 1957) in the like 1956 period.		

Incoming orders of Ex-Cell-O Corp received during the third quarter are not sufficient to offset shipments for this period, and as a result the backlog has continued to decline, H. G. Bixby, president, said.

A stretch-out of defense orders will cause a reduction in sales for the fourth quarter, he added. But it is not expected to be a substantial decline. Earnings for the entire year, he added, will be slightly in excess of earnings for 1956.

### UAW Strikers at Deere & Co. Plant Set to Return Today

Chicago—Some 400 United Auto workers at Deere & Co.'s John Deere Planter works in Moline, Ill., are scheduled to start back to work today after a vote by union members Saturday to call off their strike over piece-work grievances.

Production at the plant was halted last

Wednesday. The dispute involved some 74 grievances, some long-standing, over incentive standards for piece work. Alvin Sersig, union local president, explaining the back-to-work vote, said "conditions have changed" since many of the grievances had been processed for strike action. "The men just felt the grievances weren't strong enough to warrant a loss wages in continuing the strike," he said.

No further action is expected on the 74 specific grievances which caused the strike.

**Mexico Tramways Assets Rise**  
TORONTO—Mexico Tramways Co., a Canadian investment company, reported total net assets of \$4,366,264 on June 30, up 29% over assets a year earlier. Net asset value per share on June 30 was \$16.44 a share compared with \$12.75 a share on June 30, 1956. The company, formed to operate a tramway system in Mexico City, became an investment company in 1953.



Kawneer Company, Cynthiana, Ky., bought Steelcraft buildings for original 250 x 300 plant... recently reordered the new 2-span addition.

The beauty of building with Steelcraft is that you have the freedom to build as basically as you choose, as Kawneer did, or you can include unlimited architectural refinements—and still build for less cost than "conventional" construction. No matter what "skin" you desire, a standardized framework will save you money

right from the start. And you will obtain a thoroughly pre-engineered structure, precision formed and fitted to insure strength and permanence.

Find out how a Steelcraft standard steel building can save you thousands of dollars, months of waiting, large outlay of capital. Mail this coupon now.

Now! Steelcraft offers complete financing arrangements!

**STEELCRAFT**  
you can afford to be particular with

**STEELCRAFT** standard steel buildings

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

If you've had to wait

for America's most wanted tire

... we're sorry

The stronger... safer

## GENERAL DUAL 90

built with 2 Treads and Nygen® Cord



Now, after a period of short supply caused by public demand, your General Tire Dealer once again can offer you the exciting new General Dual 90 in all sizes and without waiting. Drive in today and see for yourself why motorists everywhere are applauding the magnificent performance of the General Dual 90.

**THE  
GENERAL  
DUAL 90**

Now available at your  
General Tire Dealer or your  
favorite automobile agency

**THE GENERAL TIRE & RUBBER CO.**

## Fiscal Reversal? Transfer of U.S. Jobs to States to Be Blueprinted

*Continued From First Page*

housing, relief, public works. This fiscal year's scheduled outlays range from \$190,000 to help state marine schools to \$1.7 billion for public-assistance payments to the aged, blind, dependent children and other needy people. Sometimes the state or local unit must chip in; sometimes it "needn't." The money is apportioned among states according to population, need, per-capita income, state spending and other yardsticks. In practically all cases, the recipients must meet certain Federal standards and must accept certain supervision from Washington.

For some time there's been talk of trying to reverse this grant trend. In his first term, President Eisenhower set up a Commission on Intergovernmental Relations, headed originally by Clarence Manion, former dean of the Notre Dame University Law School. When Dr. Manion was dropped for his outspoken conservatism, Meyer Kestenbaum, president of Hart Schaffner & Marx, the Chicago clothing-making firm, took over. In 1955, his group put out a report which was voluminous but not too concrete in recommending Federal-state shifts.

This year, in a speech to the Governors' Conference at Williamsburg, Va., in June, President Eisenhower proposed a new effort to reverse the trend. He suggested a joint task force of top Federal officials and governors to discuss and agree on specific Federal programs which could be abandoned in return for surrender of specific Federal tax sources.

The governors "bought" the idea, and the Joint Federal-State Action Committee came into being. The Federal members, headed by Mr. Anderson, include such top-level officials as Budget Director Brundage, Labor Secretary Mitchell, Health and Welfare Secretary Folsom, and former Arizona Governor Howard Pyle, the President's special assistant on intergovernmental relations.

The governors' group, besides Mr. Dwinell, includes the chief executives of Maryland, Nebraska, Idaho, Texas, Mississippi, Rhode Island, Pennsylvania and Kansas. Mr. Stratton, chairman of the executive committee of the Governors' Conference, also has been taking an active role.

The Federal-state committee held its first meeting in Hershey, Pa., last month. Making unexpectedly swift progress, it chalked out various areas for staff study. The studies now are complete, and the staff recommendations pretty firm. If they're followed, the Federal-state committee will recommend that these Federal spending programs be turned over to states and cities:

**SCHOOL LUNCH:** Right now, the Federal Government makes cash grants to the states for buying food and milk used in lunches for school children. Termination of these grants would save Washington about \$160 million a year. Uncle Sam would continue to provide the states with surplus foodstuffs bought under price-support programs.

**OLD-AGE ASSISTANCE:** The Federal Government now gives the states liberal allowances to help needy old folks. It provides four-fifths of the first \$30 a month paid each old person and half the rest up to a \$60 maximum. It's now proposed that the Government shouldn't put up more than half the share of assistance given persons also drawing Social Security benefits. The change would cut Federal spending \$100 million a year.

**VOCATIONAL EDUCATION:** It's proposed to end Federal grants for helping train students in agriculture, trade and industry, home economics and other "vocations." As a result, Federal outlays would drop \$40 million annually. "This is a classic example of how some grant programs hang on forever," declares a Federal expert. "This program started in 1917 to stimulate states to enact vocational education programs. Now the states, cities, unions, industry, private organizations, the armed services and others are spending hundreds of millions a year on vocational education. But Uncle Sam still puts out \$40 million a year to stimulate the program."

**WATER POLLUTION:** The Federal Government now is budgeting about \$50 million a year for grants to help states and local governments build plants to purify streams. It's proposed to abandon this program and give full responsibility to states and cities.

**NATURAL DISASTER RELIEF:** The committee will be asked to suggest a minimum that states must spend on disaster relief before they can turn to Uncle Sam for aid. Now the Federal Civil Defense Administration makes grants to clear debris, set up temporary housing and otherwise help localities dig out from storms and other disasters. "One state came to the Administration for less than \$7,000 of help," a member of the committee reports. "How ridiculous can a program get, when a state can't find \$7,000 somewhere in its own pockets?" The Federal budget sets aside \$16 million for spending on this program this year.

**FIELD TRIPS:** The task force staff hasn't had much difficulty finding Federal taxes that can be given up. The local phone and admissions taxes, for instance, do not figure essentially in the Federal tax scheme, and can be easily levied at the state and local level.

The big tax on this list is the 10% tax on

ADVERTISEMENT

If Your Son Is Over 21,  
send him a gift subscription to

THE WALL STREET JOURNAL

Mail coupon  
today . . .

The Wall Street Journal  
44 Broad Street, New York 4, N.Y.  
Please send subscription as a gift from me  
for a period of \_\_\_\_\_  
to \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_  
Send gift card in my name.  
Signed \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_  
 CHECK ENCLOSED.  BILL ME.  
Rates: \$20 a year, \$11 for 6 mos., \$6 for 3 mos.  
In U.S. and Possessions, and Canada.  
Foreign: 75¢ a month additional. E-2

billion a year. A 40-page Treasury study now concludes that changes in this complex area had better wait.

After the Federal-state committee deals with the current agenda, it probably will start work on additional shifts. Some officials think the Government can cut back some housing programs, curtail old-age assistance further and withdraw part way from the water resource project field. As for revenue sources that the states are eyeing, high on the list are Federal cigarette and gasoline taxes.

The task group also may take up proposals for new Federal aid to states—to help combat juvenile delinquency, help pay for higher education, and step up mental health programs.

"This may be one of the most important continuing jobs of the committee," a member declares. "The committee can serve as a place where Congress and the Administration can bounce demands for new Federal spending. It can find out from the governors what the

needs for Federal intervention really are."

This official obviously expects the task force to oppose most new grant programs.

Even after agreement at Chicago, there still will be a long way to go, committee members agree. Many groups can be expected to fight the recommendations bitterly, particularly because action on them might set a precedent. Unions and "liberals" who have traditionally sought large Federal spending will argue there's no guarantee that states actually will carry on the programs the Government is giving up.

### Counting on the Public

"We can't guarantee the states will take over," concedes a Federal official. "All we can do is come out with recommendations and hope public opinion does the rest. If the demand for the service is there that these groups say there is, the states will be forced to act."

Many mayors probably will oppose the committee's recommendations. At a recent meeting of the U. S. Conference of Mayors, the

fear was widely expressed that rural-dominated state legislatures would prove less generous to cities than Uncle Sam has been.

The views of governors, mayors and other local officials will come out in the open in weeks ahead during the Fountain committee's hearing. They'll get under way in Boston today. Later hearings, running into December, will be held in New York City, Chicago, Kansas City, Denver, San Francisco and elsewhere.

The hearings will attempt to draw out just where state and local officials think Federal spending can be cut back—if they think it can. Questionnaires sent out months ago to these

### CORPORATIONS

Give away cigarette lighters. Advertise your name and give a gift all at once. Your 2 line imprint free.

As low as 5¢ each.

EAGLE TRADING COMPANY

1727 Sixth St., Brooklyn, N.Y. ULster 3-1028

officials turned up many demands for greater, not less Federal spending.

On the other hand, the recommendations of the Federal-state group undoubtedly will get a big boost from the economy sentiment stirred up this year by the President's record peace-time budget.

**BRISTOL STEEL AND IRON WORKS, Inc.**

Bristol, Virginia

DESIGNERS • FABRICATORS • ERECTORS

Dependable Steel Service Since 1908

local phone service, which this year is slated to bring \$370 million into the Treasury. The 20% tax on club dues and initiation fees this year will bring in \$60 million and the 20% tax on cabaret entertainment \$45 million. The 10% admissions tax, levied on tickets costing over 90 cents, also is slated to raise \$45 million this year. Federal taxes on safe deposit boxes, coin-operated amusement devices, bowling, billiards and pool together raise just under \$25 million a year.

**Delay on Gift Tax**

The Hershey meeting also suggested giving states a larger share of gift and estate-tax revenues, from which the Treasury gets \$1.5

# Amazing Pocket-size Recorder Does Big on-the-spot Recording Job—Plays Back Immediately!



### MINIFON P55-S GETS EVERY WORD OF IMPORTANT INTERVIEW!

Detroit, Michigan . . .

When a nationally famous industrialist visited midwestern city he was interviewed by the press. News reports are sometimes complete, sometimes edited and often omitted for lack of space. Fortunately the host in this instance was equipped with a MINIFON and got every word of a conversation that was vitally important. Noted guest was at ease during interview as the inconspicuous MINIFON inhibits no one.

**MINIFON** is the world's ONLY AUTOMATIC PUSH-BUTTON POCKET RECORDER, a high-precision and virtually foolproof model originally designed for military and diplomatic secret service work and now widely used in business, industry and the various professions and trades. It is the most perfect instrument ever conceived for taking the pulse of a business situation or for obtaining data not otherwise obtainable. It is also the perfect pocket secretary, and the only infallible memory of the spoken word that a person can carry in his possession.

The actual use of a featherweight Minifon recorder is too simple to need much explaining. You just stick it in a pocket and use the tiny mike under your lapel (or wear the facsimile wrist-watch mike or tie-clip mike!), and when you want to record your words—or the words of anyone within about twenty feet—you simply put your hand in your pocket and press a silent switch. You can record up to 2 hours of talk on a single "record" (wire reel), and the "records" are so small and light they can be mailed.

The fascinating thing about Minifon is its unparalleled usefulness in the modern world's daily work—in your daily work, providing it is work having a vital connection with people and a "pulse" to which you must hearken. The following examples will make some phases of this usefulness very clear.

### UNSEEN EARS OF MINIFON P55-S, A VALUABLE AID TO SCIENTISTS, ENGINEERS, RESEARCHERS, BUSINESSMEN, PROFESSIONALS

Los Angeles, California . . .

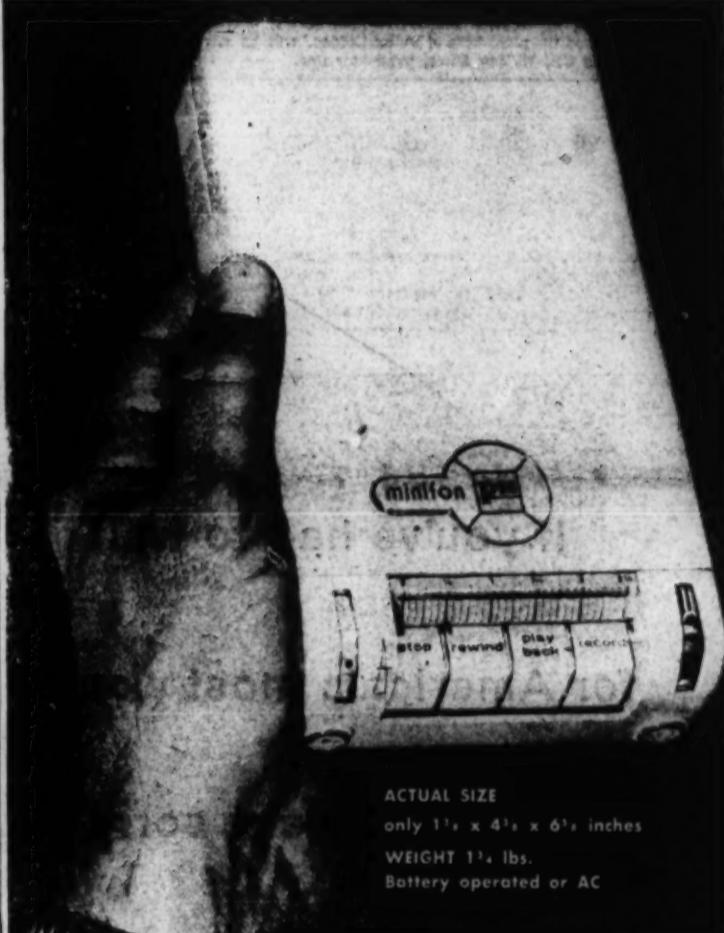
Field research and investigation in all sections of science, education, industry and communications are being remarkably served by MINIFON, world's smallest and lightest and ONLY pocket-size recorder that plays back faithfully and immediately after recording, everything that is within hearing of its sensitive recording mechanism.

Today many industrial relations and personnel people make secret Minifon recordings of plant interviews and informal talks with employees and job applicants. Needless to say, the purpose is not to trap people in damning statements, but to discover those individual desires and facets of personality which any intelligent employer tries hard to recognize and to fit into the overall pattern of his operation.

Today the more forward looking department stores equip their "professional shoppers" with Minifon recorders. Minifon recordings of department store sales transactions dis-



close much more than the relatively unimportant individual ability of the sales person. They disclose the effectiveness of the store's sales training methods, public opinion of items of merchandise, public reactions to typical sales situations—and many other customer and employee attributes which have direct bearing on the store's profits and losses.



### Executive Carries "Secretary" in his Coat Pocket

New York City . . .

About to board a United Air Lines Executive flight, businessman will dictate as he flies through the air with the greatest of ease. In his pocket is his blonde travelling secretary, weight only 1 1/4 lbs. He will be inconspicuous because a tiny microphone will take down his notes and he can dictate up to 2 hours on one reel. When he reaches his destination a secretary will use the featherweight headphones accessory, push the button to "play-back" and will then transcribe easily and comfortably her employer's airborne Minifon notes!



For a demonstration see your office equipment, electronic or industrial camera dealer or mail coupon below!

GEISS-AMERICA, CHICAGO 45, ILLINOIS, Dept. W.S. 9  
Exclusive U.S.A. Importers

YES! I am interested in the remarkable pocket-size MINIFON P55-S recorder. Please send me completely illustrated brochure.

Name \_\_\_\_\_

Name of Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

My special interest in a miniature recorder is for \_\_\_\_\_

A FEW VALUABLE FRANCHISES OPEN FOR LIVE DEALERS!

## British Propose Free Trade Area Between Britain and Canada

Many at Commonwealth Meeting Call Plan Impractical; Thorneycroft Concedes "Difficulties"

BY CARTER HENDERSON  
Staff Reporter of THE WALL STREET JOURNAL

MONT TREMBLANT, Que. — The British government has informally proposed that a free trade area be set up between Britain and Canada, but concedes the plan faces a difficult path.

Many delegates to the Commonwealth Finance Ministers Conference at this ski resort village, however, took an even dimmer view of the plan's prospects. They assessed it as practically unworkable, and chiefly a political gesture.

As outlined at the conference, Britain proposes gradual reduction and eventual removal of tariffs on shipments between the two countries over the next 10 or 15 years.

It is primarily designed to increase British sales to Canada at the expense of United States exports to the Dominion and is Britain's answer to a suggestion by Canada's new Conservative Prime Minister, John G. Diefenbaker, that as much as 15% of Canada's trade with the U. S. might be switched to the United Kingdom.

At a weekend press conference, the British Chancellor of the Exchequer, Peter Thorneycroft, conceded the establishment of a free trade area "arouses great difficulties and complexities for the Canadian government as it does for mine."

But the Chancellor was ready to disclose a few of the items in a long list of specific goods Canada could buy from Britain instead of the U. S. Included were cars, textiles, machinery and electric power generators.

**Buy British, He Urges**

Mr. Thorneycroft also suggested more Canadian government buying might be done in Britain instead of in America. "It is good to see," he remarked, "if we can't buy from a member of the Commonwealth family first."

Canadian Finance Minister Donald Fleming was unwilling to comment on whether the British proposal of a free trade area would be sympathetically received by the Canadian government. The master isn't even going to be discussed generally until the Canadians meet with the British delegation Wednesday and Thursday in Ottawa.

Mr. Fleming was quick to say, however, that Britain's proposal presented "formidable difficulties." At least one of these difficulties would presumably be the so-called "most favored nation" compacts which Canada has with a number of countries outside the Sterling Area. Canada of course uses its dollar as the basis for its monetary system and is the only British Commonwealth country outside the so-called Sterling Bloc.

The favored-nation agreements, under the

international General Agreement on Tariffs and Trade, calls for the signing nations to levy tariffs on each other's goods at the lowest rates they grant any foreign country.

Negotiations now taking place in Europe under the General Agreement on Tariffs and Trade and the traditional economic relationship between the United States and Canada, which would be awkward to change, are believed to be other difficulties the proposal faces.

Nobody knows for sure whether a whittling away at Anglo-Canadian tariff barriers could accomplish such a sizable switch in Canadian importing to British goods from American—as Mr. Diefenbaker urges.

**Political or Practical?**

In fact the 15% switch would be so large—equivalent to well over \$600 million on the basis of last year's figures—and the problems surrounding the change so formidable, that many delegates to the Finance Ministers' conference are wondering if the British proposal is more political than practical.

Last year American exports to Canada totaled \$4,166,700,000. Britain, on the other hand, sold Canada \$484 million worth of goods, while its imports from the dominion ran to \$818 million.

A 15%, or \$600 million, switch in Canadian buying from the U. S. to Britain would thus let the United Kingdom wipe out its trade gap with Canada and have better than \$300 million left over either to buy more Canadian goods or shore up the Sterling Area's faltering gold and dollar reserves. These reserves were down to \$2.1 billion at the end of August. One use of this hoard of hard money is to shore up the value of the British pound, which is pegged by the government at \$2.78 to \$2.82 to the U. S. dollar.

But diversion of Canadian imports from the U. S. to Britain would also cut into Canada's severe imbalance of trade with America. Last year, for example, Canada bought \$1,287,600,000 more goods from the U. S. than it sold there.

This excess was paid for with dollars that have been pouring into Canada from U. S. investors in this country's industry.

**Minister Needs Support**

Some delegates at the Finance Ministers Conference thus suggest Mr. Diefenbaker's suggestion of a 15% switch in trade is chiefly a political move to gain voters' good will. The new Prime Minister's party has only 112 seats itself out of 265 in Canada's House of Commons and it's considered he needs all the votes he can get if he is to gain a clear majority in the next election, which may come next year.

Still other delegates figure Britain's idea of a free trade area is merely a gentlemanly British attempt to get Mr. Diefenbaker off the hook that caught him when he first mentioned a 15% trade switch.

They describe the whole idea as unworkable, but believe the pro-British voters who put Mr. Diefenbaker in power will have forgot all about it by the time lengthy conferences have been held to work out the details.

Still other conference delegates view the free trade scheme as a new-found club Canada could

## Avco's Indicated Net Rose to \$3,353,753 In the Third Quarter

Company Had \$3,528,245 Loss in Like '56 Period; Nine-Month Profit Also Gained Sharply

By WALL STREET JOURNAL Staff Reporter

NEW YORK—Avco Manufacturing Corp.'s indicated third-quarter net was \$3,353,753, including a special credit, up sharply from an indicated loss of \$3,528,245 in the like period of 1956.

For the nine-month period ended August 31 the company said consolidated earnings and special credit amounted to \$8,586,374, equal after preferred dividends to 92 cents a common share.

This compared with a loss of \$3,499,529 for the nine-month period last year.

Sales for the 1957 nine-month period were \$238,983,886, down from \$246,168,428 in the like 1956 period.

No provision for Federal or Canadian income taxes were required during the nine-month period this year, the company said, because of the loss carry-forward from last year. During the current period, settlement of litigation relating to prior years' income and excess profits taxes resulted in a special credit of \$2,583,193.

The company said second and third quarter earnings were seriously affected by a four-month strike at the company's New Idea farm implement division. The strike, longest in Avco history, affected both spring and fall selling seasons, the company said. It was settled August 11.

Continued satisfactory results in Avco's business, including aircraft engines, research and development on the nose cone of the intercontinental ballistic missile, and electronics and air frame manufacturing, as well as broadcasting and telecasting operations, were reported.

AVCO MANUFACTURING CORP. and subsidiaries report for nine months ended August 31, 1957

a-Earned per common share..... \$2.31

b-Net sales per share..... \$34.156.426

c-Preferred shares special credit..... 6,223,181 6,3,499,322

d-Special credit..... 2,583,193

e-Net income..... 9,074,374 6,000,000

f-Common shares..... b-Returns of adjustment account due to settlement of prior years' federal income and excess profits taxes. The special credit is equal to 26 cents a common share. c-No income taxes payable, the report stated, due to loss carry-forward. d-Settlement of litigation relating to prior years' income and excess profits taxes resulted in a special credit of \$2,583,193.

g-After preferred dividends..... b-Returns of adjustment account due to settlement of prior years' federal income and excess profits taxes. The special credit is equal to 26 cents a common share. c-No income taxes payable, the report stated, due to loss carry-forward. d-Settlement of litigation relating to prior years' income and excess profits taxes resulted in a special credit of \$2,583,193.

For six months ended May 31, last, company reported a net income of \$3,528,245, 34 cents a common share. In like period a year ago, net income was \$28,716, equal to 22 cents a preferred share.

# Another great KLM service... FLY NON-STOP NEW YORK TO CURACAO

\*Effective Oct. 11th



Heart of the Caribbean . . .

Gateway to South America

In addition to daily flights from Miami, KLM now offers overnight service from New York to Curacao, South America and the Southern Caribbean.

Whether you choose luxurious First Class or economical Tourist accommodations, this new KLM service flies you in a few short hours to picturesque Curacao, famous "eye-spot—buy-spot" of the Caribbean. From there, immediate onward connections to Caracas, other South American and Caribbean points. Fly KLM . . . you'll agree . . .

It's a treat to go Dutch

SEE YOUR TRAVEL AGENT  
or KLM, 572 Fifth Avenue,  
New York 36, N. Y., JU 2-4020

## Here's Important News for the International Advertiser

**Continental Coverage.** Here is the latest achievement of Latin America's most successful publishers. The Portuguese language *O Cruzeiro* has been published since 1929 and is easily Brazil's most popular magazine, reaching three-quarters of all magazine readers in the country with a guaranteed circulation of 620,000 weekly. Now the new Spanish language *O Cruzeiro International*, published twice monthly, extends throughout Latin America the brilliant editorial viewpoint which has won such pre-eminence.

**Proved Editorial Policy.** *O Cruzeiro International* is edited exclusively for Latin Americans, with a tested blend of general interest picture-text reporting. Of the 100 pages of *O Cruzeiro International*, more than 20 are in full color—faithfully reproduced! *O Cruzeiro International* averages more pages of editorial color than any other international magazine in Latin America.

**Rising Circulation.** Issue number one, published in April of this year, totaled 140,700 copies. From the outset *O Cruzeiro International* has been the third largest international magazine in Latin America. Issue number ten (August 16th) sold 238,900—up 70% in five months. *O Cruzeiro International* is now second in Latin American newsstand sales!

**Bright Potential.** As you read this, more than 240,000 copies of the twelfth issue are being distributed to the rich Latin American market. The instinctive reaction of the Latin peoples to their own flavorful kind of journalism is expected to double *O Cruzeiro's* initial circulation in less than a year. All this plus a cost-per-thousand of only \$5.50 for a page 10 by 13 inches makes *O Cruzeiro International* the media buy for advertisers interested in reaching all of Latin America.

Guaranteed circulation: 200,000  
Basic page B&W: \$1100 Four-color: \$1870

the magazine published  
by and for  
Latin Americans—



CRUZEIRO  
INTERNATIONAL

U. S. Representative: Robert T. Kenyon Co.

527 Madison Avenue, New York 22, N. Y.  
Phone PL 5-1282

INTRODUCING



**Do Other Men Seem Smarter? Then  
TAKE THIS "OBVIOUS WAY"  
TO ADVANCEMENT**

HE was an ordinary-looking man, not impressive in appearance. When you talked to him his answers weren't particularly clever... but he had the ability to see and do the obvious. That won him outstanding success.

The story of "Obvious Adams" has become a business classic. For Adams had the knack of reviewing any problem and coming up with an answer obviously right and sound; an answer that made others say, "Why of course! It's so simple! Why didn't I think of it?"

Thousands of copies of this famous brochure have been purchased by business executives and their companies. This new edition contains two additional sections: *Fine Prints of Obviousness* and *Five Creative Approaches to the Obvious*.

George M. Humphrey, former Secretary of the Treasury, said that his success was based on his ability to see the obvious and do it. The ability to do this may mean much to your advancement. Just attach this ad to your letterhead or a card with your name and address and enclose \$1. Your copy of *Obvious Adams* will be mailed promptly. Executive Development Press, Dept. WAJ-2, Littleton, New Hampshire.

## WE WANT TO BUY

All or part of a manufacturing company in hard goods line, with net worth from \$2,000,000 to \$250,000, currently profitable. Preferably a company whose volume can be increased by our youthful, dynamic sales organization that has built our products into industry dominance in five years. Principals communicate confidentially with principals.

Box H-18

The Wall Street Journal  
44 Broad St., N.Y., N.Y.

**WHO PAYS MORE OR PAYS MORE OFTEN?**  
YOUR HEADQUARTERS FOR  
*Insured Savings Accounts*

Amount needed by credit  
Deposited to \$1,000.  
By W. K. Toda, President  
Beverly Hills Federal Savings & Loan Association  
9412 Wilshire Blvd., Beverly Hills, California

AS NEAR TO YOU AS YOUR NEAREST MAILBOX

**Todes Inn**  
AT RIDGEFIELD, CONN.  
Ex. 38, Merritt Pkwy. right on Rte. 35  
or Saw Mill River Pkwy to Rte. 35

**EXCLUSIVE DINING**  
French Cuisine • Fine Wines  
MONTE CARLO ROOM FOR COCKTAILS  
FABULOUS SUNDAY BRUNCH 12-3 P.M.  
Dinner 5-8 P.M. • Sunday Brunch 12-3 P.M.  
RESERVATIONS — HOLLYWOOD 8-8888  
Open Every Day W. K. Toda, Pres.

**IBM KEY PUNCH  
TIME AVAILABLE**

028 &amp; 036 Equipment

**WORKMAN SERVICE  
INC.**

TABULATING DIVISION

Oregon 4-5966

221 Fourth Ave. New York City

**build FINNIGAN quality  
INTO YOUR PRESSURE TANKS**

FABRICATING STEEL PLATE SINCE 1888  
J. J. FINNIGAN CO., INC. - ATLANTA, GEORGIA  
47 E. 45th St. 220 N. TORRENT ST. 4050 FAIRY AVE. P.O. BOX 1537  
NEW YORK 17 CHARLOTTE 10 NEW ORLEANS 1 JACKSONVILLE 1  
NORTH CAROLINA LOUISIANA FLORIDA

**Experimental Molded Rubber Development**

Acme-Fisher

**BUY YOUR TEA DIRECT**  
from the Blenders  
IN THE CITY OF LONDON

and enjoy good tea in your home.  
We supply high quality tea specially blended in 7-lb. net miniature original chests @ \$10. per chest, postage paid, cash with order.

**PARAMOUNT TEA LIMITED**  
5, Philip Lane,  
London, E.C. 3, England

**New York Catering Company, Inc.**

SPECIALISTS IN OFFICE CATERING  
Institutional Menus-Home Catering  
210 E. 86th St., N.Y. 28, N.Y. YU 8-3355

## Airlift, Cots and Cafeteria Help Struck Lone Star Steel Plant Stay in Operation

By a WALL STREET JOURNAL Staff Reporter  
LONE STAR, TEXAS — Nearly everybody you meet these days in this lonely little steel town is more than a bit perplexed. Some 2,500 of the workers in the thriving Lone Star Steel Co. plant here walked out on strike a week ago. But another 500 workers are still inside the plant helping some 1,400 clerical and supervisory people turn out steel pipe for use in oil fields. Officials of the local of the United Steel Workers of America say the strike is unauthorized. Officials of the company agree.

Yet, the \$150 million plant, sprawled over some 500 acres of the northeast Texas countryside, is in a "state of siege." Workers are sleeping and eating inside the plant grounds while pickets of the wildcat strikers patrol outside. Merchants here and in nearby centers already are feeling a pinch in spending.

Nobody seems quite sure about the cause of the strike. The strikers complain of company unfairness in settling grievances. Since the strike began, the company has fired all the striking workers.

### Texas Rangers on Scene

For three days after the strike began, hundreds of strikers had gathered at the start of work turns to harass men trying to go to their jobs. A few hundred trickled through, but most went back home. Some bottles were thrown and windows shattered and some scuffling took place before Texas Rangers restored order. Only a half dozen or so highway patrolmen and Texas Rangers are now patrolling the area to keep the peace.

Many of the 900 supervisors and non-strikers are living at the plant working two 12-hour turns instead of the customary three eight-hour ones. Cots are set up in executive and other offices. A few have rigged up improvised sleeping quarters in station wagons and cars. Several hundred men are sleeping in three tents scattered over the plant grounds. Coffees pots are brewing day and night.

A 200-seat cafeteria is serving an estimated 4,000 free meals daily to live-in workers, compared with the usual paid-for \$60, says O'Dell Fullen, cafeteria manager. The company also is providing free cigarettes, cigars and candy. Wearly reports Mr. Fullen, as he directs workers setting up several outdoor meat roasting grills: "I've doubled my work force to 33 people, but it's still a strain." The cafeteria now is operating about 22 hours a day, with two hours for clean-up. Normally, it runs from 6 a.m. to 5:30 p.m.

### Heli-copter Used

To speed delivery of the additional food, the company late last week began air-lifting bread, ice cream, fresh meat and vegetables into the plant. At the weekend, some 12,000 pounds of food had been flown in from Dallas and other nearby cities in three airplanes and a helicopter. They used a 3,000-foot asphalt landing strip inside the plant grounds.

In the plant fire station next to the cafeteria, a temporary dinner table is being set up at meal time for some executives and supervisors. Three extra steel cots have been crammed into an adjoining room that normally sleeps seven firemen. Down the road in a tent, not-so-old Hollywood feature movies are being shown free for the men nightly. Examples: *The High and the Mighty*, and *Samson and Delilah*.

Many grievances, report the strikers, concern filling of temporary vacancies. They cite the case of Earl Tugge, a motor inspector. Says he: "Last January, I went up one pay class when I replaced a man who went on vacation. His job pays 12 cents more an hour, but they paid me at my old rate. So I put in a grievance for the eight days I took his place, plus any time after that I worked in his place. Then he went into the service and I stayed in his job. In August, they finally decided my case and said they would pay me for the eight days, but not the six months after that. I have got over \$150 coming, but they won't give it to me, even though another man with a similar gripe before me got all his back pay."

A company spokesman contends, however, that all cases, despite similarities, are not alike and cannot be settled identically. "It's the same thing as one man being convicted for murder and getting the electric chair and another getting a five-year probation sentence," explains L. D. Webster, Lone Star vice president. "Each case may be different and must be decided on its own merits."

This week, according to Mr. Germany, the company will begin hiring new employees from over 3,000 job applicants to replace striking workers. He says a few strikers with clean records who have not taken an active part in the walkout may be rehired "on some sort of temporary or probationary basis." The company plans to spread the 500 or so experienced non-strikers through the plant to train new men on the job.

**Effect on Production**

Mr. Germany estimates that production has been cut only 30% by the strike, though the union claims it is closer to 50%. He notes, for example, that three of the company's four open hearth furnaces—the other one is down for "normal" repairs—were in operation over the weekend.

At an average of about one "heat" per furnace every 15 hours, or around 33 a week, the furnaces are now putting out around 6,500 tons weekly. This, he says is about 85% of a normal 10,000-ton weekly capacity.

Some of the striking steel workers appear worried about the prospects of the unemployment. They seem to feel they'll eventually get their jobs back. Says one confidently: "I'd like to see them try to find an experienced crane operator who could replace me." Asks another: "Can 2,500 men be wrong?"

Still another, with perhaps a little more realistic outlook, boasts: "If I stay fired, I can get another job. After all, there's plenty of work here. Nearby, a slightly-built worker forces a grin as he stands in line in front of the cafeteria and says: "I hope this thing is over soon. I've only had an hour or so of sleep in the last 24."

The strike already has had its effect on nearby towns where the striking workers live. Notes stocky, round-faced E. B. Germany, president of Lone Star Steel: "You can't cut off a large hunk of a \$27 million annual payroll and not have it hurt this area."

The strikers received their checks for work done after September 15 last Friday. A mile up the road from the plant's main gate in Lone Star, a cross-roads community of nearly 2,000 persons (nearly all steel families), business started trickling off just after the strike started. James McCurdy, owner of the town grocery market, said: "Our sales already are off at least 50%. A lot of men who used to buy steaks are now eating beans. In fact, a few aren't even eating beans."

Another Town Affected, Too

Seven miles north in Daingerfield, the

county seat, business men have a similar tale. Reports W. O. (Bo) Irvin, owner of Irvin Hardware Co. and a Lone Star Steel director: "We're just not doing any business. I'd say sales in the last week are down 75%. People naturally aren't going to buy a TV set or a new sofa at a time like this." He also handles furniture and appliances and he predicts: "I guess it's going to stay like this for the duration."

A few doors down, C. T. Barnett, owner of Barnett Jewelry, reports: "Ordinarily, I can hardly keep up with my watch repair business. Now I'm barely working two hours a day. And the men have almost stopped picking up the watches they left with me before the strike." His sales last week: One watch band.

Local 4134 of the United Steel Workers has been cryptic about its reasons for the walkout. The union and the company both claim the strike was unauthorized. And many of the workers, on strike or not, are frankly puzzled about the walkout. Says one in-plant non-striker: "I've been around here for five days now, and still don't know why the men are out."

But talks with several more vocal unionists, sipping cokes in the entrance to the union hall, indicate the main point of contention is the way the company and the union settle grievances. They claim too many grievances are being submitted to arbitration, which they say, is too costly and time-consuming. Claims L. H. Brantley, a blonde and youthful staff representative for District 37 of the union: "This arbitration is costing the local too much money. We take in over \$80,000 a year in income from dues. We are spending almost half of this for arbitration."

But talks with several more vocal unionists, sipping cokes in the entrance to the union hall, indicate the main point of contention is the way the company and the union settle grievances. They claim too many grievances are being submitted to arbitration, which they say, is too costly and time-consuming. Claims L. H. Brantley, a blonde and youthful staff representative for District 37 of the union: "This arbitration is costing the local too much money. We take in over \$80,000 a year in income from dues. We are spending almost half of this for arbitration."

The company and the union split the cost of hiring an arbitrator and paying witnesses. It is estimated that arbitration cases cost a total of between \$500 and \$1,000 each. Mr. Brantley continues: "The company wants to submit every grievance to an arbitrator. We claim this is not always necessary, because there is a lot of overlapping of grievances. We think that a previous decision in one case should cover all similar cases—that follow it. But the company wants to submit each one, even though it has been ruled on before."

Many grievances, report the strikers, concern filling of temporary vacancies. They cite the case of Earl Tugge, a motor inspector. Says he: "Last January, I went up one pay class when I replaced a man who went on vacation. His job pays 12 cents more an hour, but they paid me at my old rate. So I put in a grievance for the eight days I took his place, plus any time after that I worked in his place. Then he went into the service and I stayed in his job. In August, they finally decided my case and said they would pay me for the eight days, but not the six months after that. I have got over \$150 coming, but they won't give it to me, even though another man with a similar gripe before me got all his back pay."

A company spokesman contends, however, that all cases, despite similarities, are not alike and cannot be settled identically. "It's the same thing as one man being convicted for murder and getting the electric chair and another getting a five-year probation sentence," explains L. D. Webster, Lone Star vice president. "Each case may be different and must be decided on its own merits."

This week, according to Mr. Germany, the company will begin hiring new employees from over 3,000 job applicants to replace striking workers. He says a few strikers with clean records who have not taken an active part in the walkout may be rehired "on some sort of temporary or probationary basis." The company plans to spread the 500 or so experienced non-strikers through the plant to train new men on the job.

**Effect on Production**

Mr. Germany estimates that production has been cut only 30% by the strike, though the union claims it is closer to 50%. He notes, for example, that three of the company's four open hearth furnaces—the other one is down for "normal" repairs—were in operation over the weekend.

Some of the striking steel workers appear worried about the prospects of the unemployment. They seem to feel they'll eventually get their jobs back. Says one confidently: "I'd like to see them try to find an experienced crane operator who could replace me." Asks another: "Can 2,500 men be wrong?"

Still another, with perhaps a little more realistic outlook, boasts: "If I stay fired, I can get another job. After all, there's plenty of work here. Nearby, a slightly-built worker forces a grin as he stands in line in front of the cafeteria and says: "I hope this thing is over soon. I've only had an hour or so of sleep in the last 24."

The strike already has had its effect on nearby towns where the striking workers live. Notes stocky, round-faced E. B. Germany, president of Lone Star Steel: "You can't cut off a large hunk of a \$27 million annual payroll and not have it hurt this area."

The strikers received their checks for work done after September 15 last Friday. A mile up the road from the plant's main gate in Lone Star, a cross-roads community of nearly 2,000 persons (nearly all steel families), business started trickling off just after the strike started. James McCurdy, owner of the town grocery market, said: "Our sales already are off at least 50%. A lot of men who used to buy steaks are now eating beans. In fact, a few aren't even eating beans."

Another Town Affected, Too

Seven miles north in Daingerfield, the

Bonneville sports cars but these cars were used only for show purposes by dealers, and were not sold to the public.

The Chevrolet system was priced at \$484.

In the Chrysler system, gasoline is portioned out to the combustion chambers by means of electrical impulses rather than by mechanical devices, as in the Chevrolet and Pontiac systems.

The impulses are controlled by a small "brain"—about the size of a file-card box—which measures such variables as engine temperature, throttle position, air temperature, engine load and altitude. These factors are instantly translated into the precise fuel requirements for the engine as the brain lengthens or shortens the electrical impulses that control fuel intake.

According to Chrysler, great care has been taken to keep air and dirt or metal particles out of the fuel pipelines. In addition an extremely fine filter, which is designed to catch anything larger than five-millionths of an inch, a magnetized wire spring in the system traps any metal particles that might go through the filter.

Fuel injection is a method of squirting fuel directly into the combustion chambers of an engine where it is mixed with air. In the conventional carburetor, used on most cars, the fuel is first mixed with air and drawn into the combustion chamber as a vapor.

Advantages claimed for fuel injection include savings of fuel, quicker engine warm-up, increased power, and elimination of certain carburetor problems such as "icing," which sometimes causes engines to stall in cold, damp weather. The principal problem of auto makers has been to provide a satisfactory system at a price low enough to make it marketable.

The Chrysler fuel injection will be offered only on engines of the high-performance type. It will be available on Plymouth's new Golden Commando, a V-8 engine and on Dodge cars using the newly-designed D-500 V-8 engine. It also will be available on the DeSoto Adventurer and the Chrysler 300-D, both of which are high-horsepower, sports-type cars.

Price of the fuel injection system will not be announced until the cars are introduced in late October. American Motors priced its version of the Bendix system at \$395 retail.

The company becomes the third in the auto industry to offer fuel injection. In addition to American Motors, Chevrolet division of General Motors Corp. used fuel injection on some 1957 models, but the system was largely a promotional device and very few passenger cars were sold with such equipment. G.M.'s Pontiac division installed fuel injection on its

## Classified THE MART Advertising NATIONAL BUSINESS EXCHANGE FOR PERSONNEL, PRODUCTS, SERVICES, AND IDEAS

### Employers and Employees Meeting Place

POSITIONS AVAILABLE—MALE

POSITIONS AVAILABLE—MALE

POSITIONS AVAILABLE—MALE

POSITIONS AVAILABLE—MALE

## Manufacturing Engineering Manager

Consumer Hard Goods manufacturer with National Distribution and reputation needs a creative engineer who can guide development, and direct the tooling and preparation for manufacturing of new products with consumer appeal. Ability and personality to coordinate research, design, tooling and manufacturing personnel essential. Participate at top management levels with further growth opportunities.

ALL EXPENSES PAID  
SALARY IN FIVE FIGURES

**GUILFORD SERVICE**  
MANAGEMENT CONSULTANTS  
502 AMERICAN BUILDING  
BALTIMORE 2, MD.

## EXECUTIVE

### To Manage Eastern Sales Office

Excellent opportunity for dynamic executive of proven sales and management ability capable of managing the Eastern Sales Division of an established AAA-1 Midwestern manufacturer. Our standard and special steel buildings and steel building products, nationally advertised and distributed, have been established in this area for many years. Should have basic understanding of engineering with leadership and administrative ability to organize and direct an effective team effort. Excellent salary with bonus arrangement. Please give us full background particulars. Replies will be held in strict confidence.

BOX F-238, THE WALL STREET JOURNAL



*The Partners of  
E.F. Hutton & Company  
invite you to inspect  
a New Conception in  
Brokerage Offices  
650 Madison Avenue at 60th Street  
Now Open - 9:30 A.M. to 5:30 P.M.  
Designed by Virginia Connor Park. Features  
amphitheatre; modern electric and automatic  
equipment; comprehensive stock and commodity  
news services; Financial Library;  
air-conditioned; sound-proofed.*

## MASSACHUSETTS LIFE FUND DISTRIBUTORS, INC.

## Announces

MR. JOHN H. GLEISSNER  
Executive Vice President and Director

is in charge of  
WESTERN SALES  
of

## MASSACHUSETTS LIFE FUND

Offices—400 Montgomery Street, San Francisco  
639 South Spring Street, Los Angeles

October 1, 1957

We are pleased to announce the opening of  
an office in the City of Boston under  
the management of

MR. JOHN C. MATHIS, JR.

AT 31 MILK STREET, BOSTON 9, MASS.

## B. J. VAN INGEN &amp; CO., INC.

MUNICIPAL BONDS

New York Chicago Miami

September 30, 1957

## WEEDEN &amp; CO.

## ANNOUNCE

THE REMOVAL OF THEIR NEW YORK OFFICE

TO

25 BROAD STREET  
NEW YORK CITY 4

DIGBY 4-2300

SEPTEMBER 30, 1957



## GARDNER - DENVER

Serving

GENERAL  
INDUSTRY

CONSTRUCTION

PETROLEUM

MINING

Since 1859

## DIVIDEND NOTICES

## Common Stock

A quarterly dividend of \$4.45 per share on the common stock of Gardner-Denver Company has been declared by the Board of Directors of the company, payable December 2, 1957, to stockholders of record at the close of business on November 13, 1957.

## Preferred Stock

A quarterly dividend of \$1.00 per share on the cumulative preferred stock of the Gardner-Denver Company has been declared by the Board of Directors of the company, payable November 1, 1957, to stockholders of record at the close of business on Oct. 16, 1957.

Stock transfer books will remain open. Checks will be mailed.

C. M. George, Secretary

GARDNER-DENVER COMPANY, Quincy, Illinois

The DIAMOND  
MATCH COMPANY

76th CONSECUTIVE YEAR  
OF DIVIDENDS

The Board of Directors of The Diamond Match Company on September 26, 1957, declared a regular quarterly dividend of 45¢ per share on the Common Stock. At the same meeting the Board also declared a quarterly dividend of 37½¢ per share on the \$1.50 Cumulative Preferred Stock.

Both dividends are payable November 1,

1957 to stockholders of record

October 7, 1957

PERRY S. WOODBURY, Secretary and Treasurer

GROWING FOR THE FUTURE

MATCHES • PULP PRODUCTS • LUMBER • BUILDING SUPPLIES • WOODENWARE

## Financing Business

Jersey Standard  
To Offer Holders  
\$250 Million Issue

Common Stock Sale Late In Year Would Be Second Largest in History

Details Not Yet Determined

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Standard Oil Co. (New Jersey) will undertake a major piece of equity financing later this year.

The big international oil concern plans to offer its stockholders \$250 million to \$300 million of common stock.

That would rank the transaction as probably the second largest underwritten common stock offering in the history of American finance.

The distinction for the largest is held by General Motors Corp., which raised \$328 million in a share offering to its stockholders in February, 1955.

Other out-sized share issues to stockholders on the books include one for \$231 million by International Business Machines Corp. and one for \$199 million by Socony Mobil Oil Co., both communicated earlier this year.

The G.M., I.B.M. and Socony transactions all were managed by Morgan Stanley & Co. The same firm will be asked to form a nationwide group to underwrite the big Jersey Standard financing.

The number of shares and the price at which the shares will be offered have not yet been determined, the company said.

The offering, it explained, will be made only by means of a prospectus following registration with the Securities and Exchange Commission.

Since the end of the war Jersey Standard has made very large expenditures for capital equipment and in the search for oil.

Proceeds of the proposed new financing, the company said, are intended to enable the company to continue to meet these capital requirements.

This year Jersey Standard and its affiliates are expected to spend about \$1,250,000,000 on new facilities and in the search for oil.

Last previous financing by Jersey Standard was in 1949 when the company raised \$225 million by the sale of \$75 million of notes and \$150 million of debentures.

To trace the last common stock financing by the big oil concern one must go back to 1926 when 349,000 shares were offered on the basis of one share for each six held. This brought in \$86,200,000.

## Week's New Offerings Include 7 Debt Issues Totaling \$192 Million

A WALL STREET JOURNAL News Roundup

Financing by corporations through public sale of new securities will rise sharply this week, following last week's limited activity.

On the calendar for the five-day stretch are seven corporate debt issues totaling \$192 million, along with two preferred stocks worth \$24 million at par. There will be no new common stock offerings of size.

This greatly increased volume of new issues will funnel into a market that already is well supplied with undistributed senior securities, although not oppressively so. Estimates late Friday placed at \$100 million or more the total for corporate bonds unsold on underwriters' shelves, about the same level as a week earlier.

Institutional investors all last week continued to nibble away at unsold balances of the underwriters' "stickier" issues. But these reductions were roughly counterbalanced by inclusion of the unsold portion from Consumers Power Co.'s \$35 million of new 4%<sup>1/2</sup>, awarded last Monday.

Nearly all the bonds now in underwriters' inventories are of high quality and pay less than the minimum 5% desired by many investors, notably those who may be deserting the stock market.

Utah Power & Light Co.'s \$15 million of new 5½% sold out quickly when introduced Wednesday on a 5.10% yield basis. Consumers Power's top-rated 4½%, last week's principal issue, were offered to the public at a 5.71% yield.

Commercial paper sold through dealers four to six months maturity was 4% to 4½%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3½% to 4%.

Continental Screw Co. Files Issue

WASHINGTON—Continental Screw Co. put 300,000 shares of common stock into registration with the Securities and Exchange Commission. The recently-organized New Bedford, Mass., company intends to market the issue publicly through an account led by Lee Higgins Corp. and employ the proceeds to acquire Hy-Pro Tool Co.

Money Rates

NEW YORK—Bankers acceptance rates on 30-day bills were quoted at 3½% to 3¾%. 120 day bills are 4% to 3¾% and the 180 day bills 4½% to 4%.

Federal funds bid 3½%.

Call money lent dealers on bills and Treasuries was quoted at 4½%.

Call money on stock exchange collaterals was 4½% to 4¾%.

Commercial paper sold through dealers four to six months maturity was 4% to 4½%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3½% to 4%.

Court Rules Alleghany Issue Does Not Comply With Commerce Act

I.C.C. Failed to State Stand on Firm's Acquisition of Central Before Approving Issue, Court Says

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—A three-judge Federal Court ruled Friday that the order of the Interstate Commerce Commission in 1955 authorizing an issue of new 6% \$10 par convertible preferred stock of Alleghany Corp. should be set aside.

The ruling was an action brought by Breckinridge & Co., Randolph Phillips and Myron Neisloss as common stockholders of Alleghany.

The three-judge tribunal, consisting of Appeals Court Judge Charles E. Clark and District Judges Edward J. Dimock and Lawrence E. Walsh, continued the injunction which had tied up transfer of the new 6% preferred for more than two years.

The new preferred was proposed by Alleghany early in 1955 to be issued in a voluntary exchange for outstanding 5½% \$100 per share preferred and dividend arrears, on the basis of ten of the new shares for each share of the 5½% preferred. About 900,000 shares of the stock had been distributed by Alleghany in June, 1955, out of a total of over 1,300,000, when the Federal Court's restraining order was issued. The court held in a ruling then that the Securities and Exchange Commission rather than the I.C.C. had jurisdiction with respect to the issuance of the stock on the

This week's largest offering—Southwestern Bell Telephone Co.'s \$100 million of debentures—is due for public bidding tomorrow.

Other corporate debt issues coming via the competitive route include: \$17 million of bonds by Gulf States Utilities Co., set for today, and \$20 million of debentures by Columbia Gas System, Inc., on Thursday.

Slated for sale through negotiation with underwriters are Shamrock Oil & Gas Corp.'s \$17,500,000 of convertible debentures and General Tire & Rubber Co.'s \$12 million of debentures (with warrants), both expected on Thursday.

First Boston Corp. is named as principal underwriter for the Shamrock Oil issue, while the General Tire issue is to be managed by Kidder, Peabody & Co.

National Cylinder Gas Co.'s delayed offering of \$17,500,000 in convertible debentures may reach the market this week, via a Merrill Lynch, Pierce, Fenner & Beans group.

Johnston, Lemon & Co. and Eastman Dillon, Union Securities & Co. expect to be in the market with a reduced \$3 million of debentures with warrants for State Loan & Finance Corp., probably tomorrow.

The larger of the week's two principal preferred stock offerings—Northern Natural Gas Co.'s 160,000 shares (\$16 million) of a \$100 par issue—is down for sale via Blyth & Co., Inc., and associates, probably tomorrow.

Columbus & Southern Ohio Electric Co.'s 80,000 shares (\$8 million) of a \$100 par preferred issue is expected Thursday via underwriters led by Dillon, Reed & Co., Inc., and the Ohio Co.

Last week's limited total for new issues of publicly offered corporate debt securities was \$53,445,000. New common stock offerings totaled \$19,200,000, but there were no new preferred stock issues of size.

Carter Jones Drilling

WASHINGTON—Carter-Jones Drilling Co., Inc., filed a registration statement for \$300,000 shares of capital stock with the Securities and Exchange Commission. The Kilgore, Texas, company said it plans to offer the shares publicly without underwriting and apply most of the estimated \$1,472,000 proceeds to pay off debts to banks and suppliers.

Trucking Firms' Financing

MIAMI—Ryder System, Inc., truck leasing organization, and Great Southern Trucking Co., a Southern motor carrier, extended their banking and credit facilities to total equipment financing of \$17 million through an agreement with First National City Bank of New York, the third participating bank in the credit agreement. Other banks participating are First National Bank of Boston and First National Bank of Atlanta.

Williams Brothers Issue Filed

WASHINGTON—Williams Brothers Co. entered a registration statement for 400,000 shares of common stock with the Securities and Exchange Commission. The Tulsa, Okla., pipeline constructing firm reported it plans to sell 100,000 of the shares publicly while the remaining 300,000 shares would be offered by certain selling stockholders. Reynolds & Co., Inc., would manage an underwriting group for the offering.

ADAMS, MCENTEE & CO., INC.

40 WALL STREET

\$4,500,000

(Third installment of an issue not exceeding \$20,700,000)

Chesapeake and Ohio Railway  
Second Equipment Trust of 1957

4½% Serial Equipment Trust Certificates  
(Philadelphia Plan)

To mature \$300,000 annually June 1, 1958 to 1972, inclusive

To be guaranteed unconditionally as to payment of par value and dividends by endorsement by  
The Chesapeake and Ohio Railway Company

HALSEY, STUART & CO. INC.

DICK & MERLE-SMITH

R. W. PRESSPRICH & CO.

BAXTER & COMPANY

FREEMAN & COMPANY

McMASTER HUTCHINSON & CO. SHEARSON, HAMILL & CO.

September 27, 1957

Legal Investment for Savings Banks and Trust Funds in New York State.  
Interest Exempt from All Present Federal and New York State Income Taxes.

## NEW ISSUE

\$300,000

## Town of Southampton

Union Free School District No. 17

Suffolk County, New York

4.10% Bonds

Dated: September 1, 1957 Due: March 1, 1958 to 1986

Coupons bonds in the denomination of \$1,000 each, convertible into fully registered bonds. Principal and semi-annual interest (March 1st and September 1st) payable at the Hampton Bay National Bank in Hampton Bay, New York.

The East Quogue School District is located between Southampton and Westhampton about eight miles from Riverhead, the County Seat of Suffolk County.

These are the first bonds sold in the School District since 1878. In addition to these bonds being unlimited tax, general obligations, Suffolk County, Rated "A" by Moody's, guarantees 100% tax collections to the District.

Descriptive Circular Upon Request

(Accrued Interest to be added)

ADAMS, MCENTEE & CO.,

We maintain a market in:

Dun &  
Bradstreet, Inc.  
Common Stock

The  
FIRST BOSTON  
CORPORATION

15 BROAD STREET • NEW YORK 5, N.Y.  
Telephone DIBby 4-1515

CASH AVAILABLE  
for Purchase of or Collateralized by  
Stock Bonds—Listed Securities  
SECURITY DISCOUNT ASSOCIATES, INC.  
32 Broadway, N.Y. Whitehall 3-2460

## Bond Markets

Long-Term Treasuries  
Were Mixed Last Week  
In Uneventful Trading

By a WALL STREET JOURNAL Staff Reporter  
NEW YORK—Long-term U.S. Government  
bonds were mixed to close out a generally un-  
eventful week of bond trading.

Some dealers closed the new 12-year 4s at  
90 30-32 bid Friday—exactly the same bid the  
issue had commanded the previous night and  
a week before. The Victory Loan 2 1/2s of De-  
cember, 1967-72, dropped 4-32 Friday to 85 10-12  
bid, enough to put the bonds 2-32 off on the  
week.

The 3 1/4s of June, 1978-88, and the 40-year  
3s both gained 2-32 Friday, to 93 14-32 bid and  
88 14-32 bid, respectively. The 3 1/4s climbed  
12-32 during the week, while the 3s rose 14-32.

Yields were quoted as 3.90% for the 12-year  
4s, 3.85% on the "Vics," 3.84% for the 3 1/4s  
and 3.58% on the 40-year 3s.

Investment grade corporates ended the week  
on a quiet note, with steady prices. Although  
this group was steady or better throughout the  
week, dealers noted a mild spurt of activity  
Wednesday was the only period of good volume.

The lack of new issues most of last week  
gave dealers a perfect opportunity to hawk  
"sticky" bonds still in syndicate," one trader  
stated. "These deals weren't cleaned out, so  
this week—with plenty of competition—there is  
a possibility of some price breaks."

Municipals continued to display solid  
strength, with firm bidding and steady retail  
response. Revenue bonds, mixed on Friday,  
were sharply lower for the week.

Convertibles followed a pattern similar to  
the revenue bonds—a mixed showing Friday  
but sizable losses on a weekly basis.

Foreign bonds were quiet, with some Greek  
issues advancing fractionally.

**African Borrowing**

Representatives of the Union of South  
Africa confirmed plans to borrow \$25 million  
from the World Bank were not affected by  
deferral of a proposed \$15 million public offering.  
Negotiations are also continuing for a  
\$20 million revolving bank credit from U.S.  
banks since the World Bank was expected to  
make its loan concurrently with the public  
offering. The \$25 million borrowing may still  
be announced October 2, the original target  
date for the public issue. The South African  
statement said the public offering was put off  
"to await the return of more settled conditions  
in the bond market."

## Transcon Stock Split

WASHINGTON—The Interstate Commerce  
Commission authorized Transcon lines to split  
its stock two-for-one by issuing 238,840 shares  
of \$2.50 par common stock in exchange for  
119,420 shares of its presently outstanding \$5  
par-common stock.

## Tax Exempts

Municipal Yield Index  
Fell to 3.5% Last Week;  
Few Offerings Slated

A WALL STREET JOURNAL NEWS Roundup

An optimistic spirit pervades the municipal  
bond market in the wake of another prosperous  
week enjoyed by tax-exempt dealers.

The Dow-Jones municipal yield index  
hopped back another two basis points standing  
today at 3.5% compared to last Monday's 3.52%  
mark, lining up with dealers' reports of a  
"stronger market" last week in tax-exempts.

An improvement in bond prices is reflected  
by a drop in the Dow-Jones yield index which  
moves inversely to their rise and fall. The  
index, composed of 20 representative 20-year  
bonds, has been moving slowly downward since  
reaching a 22-year high of 3.58% on August 19.

Tax-exempt traders tied the appearance of  
a strengthened bond market to the 11-weeks  
long decline in the stock market. Reports have  
been circulated for some time that smaller in-  
vestors were switching from stock to bond  
purchases, at least in the shorter term maturities.

But for the first time institutional  
buyers this past week were said to be channeling  
an increased percentage of their new  
money into the tax-exempt market.

Coming Supply Up Slightly

The apparent drop-off of prospects for a  
continued industrial boom in the fourth quarter  
is not being paralleled by a sag in municipal  
financing plans. The Daily Bond Buyer  
reports a 30-day visible supply figure today  
of \$442,164,346, a slight increase over last Monday's  
figure. The total indicates a continuation  
of the record pace set by local govern-  
mental agencies in borrowing the first eight  
months of this year.

Bond traders who had considered further  
price drops on municipal securities almost in-  
evitable due to the large calendar of fall offer-  
ings now look towards prosperous times. The  
appearance of new money and of buyers whom  
they "hadn't seen around in quite a while"  
has driven up total demand. The volume of  
municipal bonds scheduled for sale in coming  
months is now viewed as "healthy" and the  
assurance of a "thriving market."

Still the test is yet to come. October is  
viewed as the critical month, with many large  
offerings such as the \$80 million California  
issue and \$65 million Massachusetts bonds  
then on the docket. The past week the total  
value of issues, though well received by in-  
vestors, amounted only to a little more than  
\$100 million. Several traders who were other-  
wise confident voiced misgivings about the  
possible effect of a much larger volume of bond  
offerings upon this slowly improving market.

**Inventories Show Gain**

The advertised par value of unsold municipal  
and housing bonds held by municipal  
traders today aggregates \$178,061,000, up from  
last Monday's total of \$162,883,000, according  
to figures supplied by the Blue List.

Another light week is in line for dealers  
in municipal bonds. The total value of tax  
offerings upon this slowly improving market.

**August Exports Topped  
July, Ending 4-Month  
Slide, Agency States**

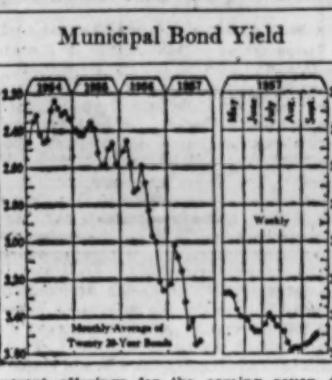
WASHINGTON—American traders ap-  
parently sold more goods abroad in August  
than in July, reversing a four-month slide,  
Commerce Department reported.

The Government agency's preliminary esti-  
mate of August exports totaled \$1,534,000,000 of  
non-military aid shipments. That topped the  
\$1,504,000,000 of July and the \$1,377,000,000 of  
a year earlier.

Each month the Commerce Department  
makes a quick estimate of exports, without  
details, and later issues its more accurate  
count based on nearly-complete figures. The  
non-military aid total is the best measure  
the Government has of commercial exports.

After soaring to a record-breaking \$2,013,-  
000,000 in March, commercial exports slipped  
steadily in the following four months before  
apparently halting the drop in August. Trade  
officials blame the slide on the fact March  
was abnormally high and that foreign countries  
have recently attempted to slow down  
imports as a step toward combatting infla-  
tion. Sales have been consistently running  
above year-ago figures for more than two  
years.

With military aid shipments figured in, the



Monthly Average of Twenty 20-Year Bonds

Curtiss-Wright, Roe  
Unit Agree to Make  
Jet Engines in U.S.

Orenda Engine, Said to Be Most  
Powerful, Will Be Built at Curtiss' Wood-Ridge, N.J. Plant

By a WALL STREET JOURNAL Staff Reporter

TORONTO—An agreement has been signed  
by Curtiss-Wright Corp. with Orenda Engines,  
Ltd., of Canada, for the production and further  
development in the U.S. of Orenda's Iroquois  
jet engine, said to be the most powerful  
jet engine currently in existence.

Described as capable of producing 20,000  
pounds of thrust in its present stage of de-  
velopment, the Iroquois engine with an after-  
burner to augment power over short periods  
of time could produce up to 25,000 pounds of  
thrust. Officials of Curtiss and Orenda, which  
is a subsidiary of A. V. Roe Canada, Ltd., said  
they believe with further development work  
the engine's thrust could be boosted to close  
to 35,000 pounds.

In contrast, Russia's TU-104 jet airliner gets  
a reported 15,000 pounds of thrust from each of  
its four jet engines. Also, Pratt & Whitney's  
J-75 produces about 18,000 pounds of thrust,  
while General Electric's J-79 turns out slightly  
more than 10,000 pounds of thrust, although  
smaller than P. & W.'s J-75.

### WEIGHTS

The Iroquois is a light-weight engine said  
to produce from five to six pounds of thrust  
for one pound of weight, which would put the  
engine's weight at from 3,500 to 4,000 pounds.

In comparison, Curtiss Zephyr jet engine,  
which is being produced in cooperation with  
British Aeroplane Co., Ltd., of England, is said  
to produce 12,500 pounds of thrust while weigh-  
ing 1,500 pounds.

### POWER RATIO

The Iroquois is a light-weight engine said  
to produce from five to six pounds of thrust  
for one pound of weight, which would put the  
engine's weight at from 3,500 to 4,000 pounds.

In comparison, Curtiss Zephyr jet engine,  
which is being produced in cooperation with  
British Aeroplane Co., Ltd., of England, is said  
to produce 12,500 pounds of thrust while weigh-  
ing 1,500 pounds.

### GENERAL AMERICAN OIL

GENERAL AMERICAN OIL CO. OF TEXAS and  
subsidiaries report for fiscal year ended June  
30, 1957.

a-Earned per common share ..... \$3.07 3.06 3.05

Gross operating income ..... 26,000,000 24,124,623

b-Net income ..... 8,064,863 8,722,372

c-Based in both periods on 3,800,000 shares of common  
stock outstanding in 1957 and 3,800,000 shares of common  
stock outstanding in 1956. b-Net income for 1957 includes capital  
dividends required on preferred stock then out-  
standing.

### GENERAL AMERICAN OIL

GENERAL AMERICAN OIL CO. OF TEXAS and  
subsidiaries report for fiscal year ended June  
30, 1957.

a-Earned per common share ..... \$3.07 3.06 3.05

Gross operating income ..... 26,000,000 24,124,623

b-Net income ..... 8,064,863 8,722,372

c-Based in both periods on 3,800,000 shares of common  
stock outstanding in 1957 and 3,800,000 shares of common  
stock outstanding in 1956. b-Net income for 1957 includes capital  
dividends required on preferred stock then out-  
standing.

### Florida East Coast

FLORIDA EAST COAST RAILWAY reports:

a-Earned per common share ..... \$2.87 2.91 2.95

Gross operating income ..... 82,897,783 82,564,267 82,027,316

Net operating income ..... 31,167 318,883 204,182

Eight months gross ..... 67,477 68,300 62,341

Net operating income ..... 21,421 22,000 17,441

d-After dividends paid on the Class A stock.

e-Interest exempt, in the opinion of Counsel, from Federal income taxes  
under present laws, regulations and court decisions.

Moody's Rating: Aa

\$8,000,000

## STATE OF COLORADO

3 3/4%, 3.10% and 3.20% State Highway Fund  
Revenue Anticipation Warrants, Series October 1, 1957

Dated: October 1, 1957

Subject to redemption, on 30 days' published notice, in inverse numerical order on January 1, 1958, or on any interest payment date thereafter, at a price equal to the principal amount thereof accrued interest to the redemption date.

Coupon warrants in the denomination of \$1,000 each, not subject to registration as to either principal or interest, interest, January 1 and July 1 (first coupon January 1, 1958), and principal payable at the Office of the State Treasurer of the State of Colorado, Denver, Colorado, or at The Chase Manhattan Bank, New York City.

The warrants and interest thereon are payable solely from, and constitute a first lien upon, the revenues of the State Highway Fund derived from motor fuel taxes, registration fees, and mileage taxes, subject only to the lien created for payment of \$5,580,000 outstanding revenue bonds of the Denver-Boulder Turnpike, which have thus far required no support from the State Highway Fund because of adequate Turnpike earnings.

### MATURITIES, COUPON RATES AND YIELDS

Amount	Maturity	Rate	Yield	Amount	Maturity	Rate	Yield	Amount	Maturity	Rate	Yield
\$600,000	1959	3 3/4	2.60%	\$500,000	1964	3 10/16	3.05%	\$500,000	1969	3 10/16	3.15%
600,000	1960	3 3/4	2.70	500,000	1965	3 10	3.05	500,000	1970	3 20	3.20
600,000	1961	3 3/4	2.80	500,000	1966	3 10	3.10	500,000	1971	3 20	3.20
600,000	1962	3 3/4	2.90	500,000	1967	3 10	3.10	500,000	1972	3 20	3.25
600,000	1963	3 3/4	3.00	500,000	1968	3 10	3.15	500,000	1973	3 20	3.25

(Accrued interest to be added)

We offer these bonds when, as and if issued and received by us, and subject to the approval of all legal proceedings  
by Messrs. Dawson, Nagel, Sherman and Howard, Attorneys of Denver, Colorado. Such offering is not made  
publicly, but only by means of the offering circular, copies of which may be obtained in any State in which  
this announcement is circulated, from only such of the undersigned as are registered dealers and  
are offering these securities in compliance with the Securities Laws of such State.

Eastman Dillon



# Army in Arkansas: Threat of New Turmoil May Prolong Troops' Stay

*Continued from First Page*

this state is torn in two directions by the very nature of Arkansas.

Great segments of Arkansas are as much part of the Deep South as is Alabama. Along the banks of the Mississippi River is the land of huge plantations, where Negroes actually outnumber whites in no fewer than six counties—Chicot, Crittenden, Lee, Lincoln, Phillips and St. Francis—and come close to it in others. Most of these Negroes and many of the whites there live in dire poverty; by the last census the median annual income of all families in the poorest of these counties, Lincoln, was \$488.

This is the heartland of the die-hard segregationist sentiment in the state. And it is in this Delta belt—not Little Rock—where Governor Faubus has become a hero for his stand against the national Government.

At the opposite extreme are 17 counties scattered along the northern border and western hill country where less than 1% of the people are Negro. It is impossible to make an overriding issue of segregation-at-any-cost in these counties.

**Shouting for More**

Orval Faubus himself sprang from this hill country. In his first campaign for governor, in 1954, he had the vigorous support of only one of the big eastern plantation operators, Jim Crane, and did not exploit the race issue. Step by step, though, he moved into closer sympathy with the eastern counties. In his 1956 campaign he pledged that no school district would be forced to integrate until it will as long as he was governor.

But that wasn't enough. His growing tribe of plantation country supporters induced him to endorse first constitutional amendments and then specific legislation of an anti-integration nature. And now they are shouting for more. The purpose of a special session of the legislature, for example, would be to give the governor more power to tinker with the school system.

One of the state's top politicians, not particularly friendly to the governor, privately sums up the situation this way: "In catering to the red-hot segregationists, Faubus has got himself into the position of many a labor leader. He finds he has to demand more and more to keep the membership happy."

Members of the governor's palace guard confirm that Mr. Faubus already has gone further than his personal preferences would have led him. Says one loyal lieutenant: "The governor is no segregationist. But he tries to cater to the opinion of the majority, regardless of his own personal feelings. In this (school) issue his personal feelings aren't reflected in the stand that he has taken."

Whatever Mr. Faubus' personal feelings, his implied threats to close Central High, and his other inflammatory statements, have disrupted plans of Southern governors meeting tomorrow with President Eisenhower. The five governors had hoped to take to the White House a proposition that Federal troops be withdrawn quickly in return for ironclad assurance from Governor Faubus that integration would be allowed to proceed. Mr. Faubus' tactics over the weekend seemingly stymied any such deal, and as of yesterday the embarrassed governors hadn't decided on their strategy when they meet with Mr. Eisenhower.

**Priority of Candidates**

Mr. Faubus can see that there are plenty of men ready to take his job away from him, if he gives them a chance. The avowed tact candidates include some with an earlier claim to segregationist status than Mr. Faubus himself; these men are ready to call attention to any faltering in the governor's zeal. One such is Jim Johnson, who ran against the governor in the last primary. Another is Attorney General Bruce Bennett. Native sons of the segregationist belt are Judge James Pilkington and State Senators James Baker and Marvin Melton. One prospective candidate, Chris Fink-

beiner, Little Rock frankfurter tycoon, has taken no stand on the segregation issue.

In theory, Mr. Faubus could at some point decide that he has catered to the extremists long enough, bid them goodbye and attempt to anchor his political future to the moderates—the folks who are unenthusiastic about integration but anxious for Arkansas to regain its reputation for law and order.

No one should underestimate the governor's political skill. He quite apparently is still trying to keep open an avenue to the moderates. In his latest television address he took pains to record the advances which Negroes have made during his administration and to urge the Arkansas citizenry to go about "normal pursuits in a friendly peaceful manner."

On Friday night he made another gesture in the direction of those who prefer orthodox legal maneuvering. He announced that he may seek a court injunction against use of Federal troops in Arkansas, basing the move upon an old Supreme Court ruling against President Truman's seizure of the steel industry.

**Continued from First Page**

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

## This Week in Washington

**SCHOOL INTEGRATION:** President Eisenhower meets tomorrow with a committee of southern governors to discuss school integration problems.

**BUDGET REVIEW:** The Budget Bureau is scheduled to make public tomorrow night its so-called mid-year review of the Federal budget for the current fiscal year ending next June 30.

**NETWORK STUDY:** The Federal Communications Commission is scheduled Thursday to issue a report on a two-year study of radio and television network practices.

**FARM CONFERENCE:** The National Agriculture Advisory Commission holds a two-day session today and tomorrow to discuss farm policy.

**Continued from First Page**

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*

**Pencil Makers Meet Sharp Competition With Special Items**

*Continued from First Page*</p



**AMERICAN STOCK EXCHANGE  
MOST ACTIVE STOCKS**

First Domestic Stocks:	Values	Class	Chgs.
Order Co.	16,700	15	+ 1
Old Town Co.	12,000	3	+ 1
Tri Cont w/c	9,500	14%	+ 1
Bishen Corp.	8,100	41%	+ 1

Five Foreign Stocks:	Values	Class	Chgs.
Brown & Root	18,800	21-11	+ 1
Pac Pet Ld.	10,900	25	- 1
Fargo Oil Co.	10,700	7	+ 1
Merrill Corp.	10,000	12	+ 1
Cessna Oil Pd.	8,700	2	+ 1

# American Stock Exchange Transactions

Friday, September 27, 1957

VOLUME, 570,000 SHARES

SINCE JANUARY 1

1957 1956 1955

Total sales 160,745,154 176,512,024 175,823,254

New highs, 1957 36 36 36

New lows, 1957 75 75 75

Net 100% 100% 100%

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%

Last Chg. + 1 + 1 + 1

Net Chg. + 1 + 1 + 1

High 100% 100% 100%

Low 100% 100% 100%



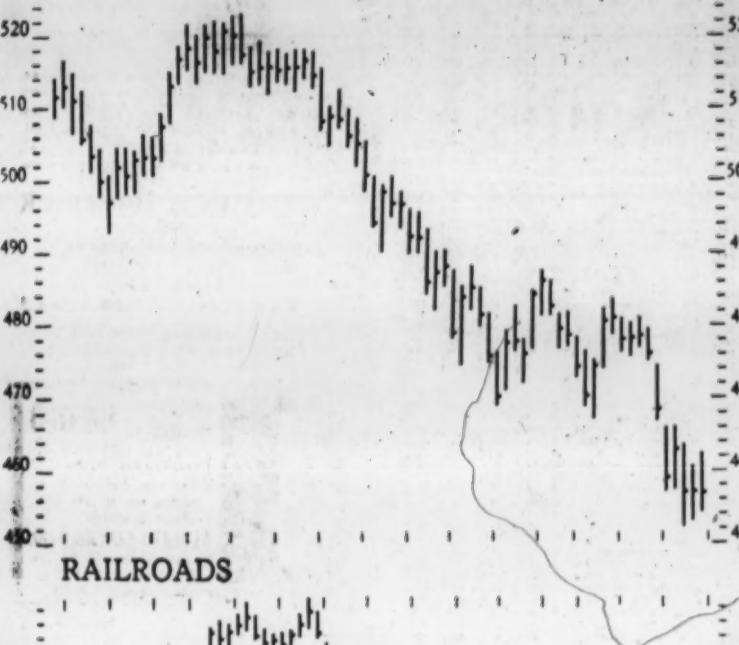
## The Dow-Jones Averages

HIGH  
CLOSE  
LOW

### INDUSTRIALS

JUNE — JULY — AUGUST — SEPT.

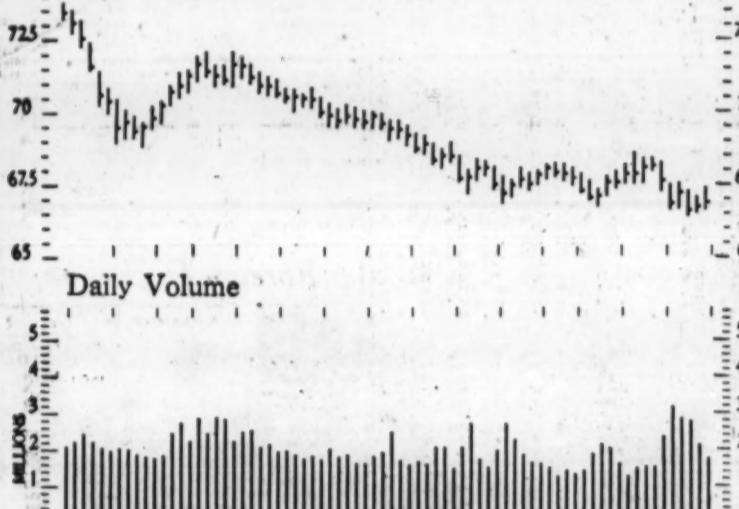
14 21 28 5 12 19 26 2 9 16 23 30 6 13 20 27



### RAILROADS



### UTILITIES



Daily Volume

MILLIONS

Following are the Dow-Jones averages of industrials, railroads and utility stocks with the total sales of each group for the period indicated:

Date Open 11 12 Times 1 3 Close Change % High Low Shares Sold

Sept. 27 1957 437.36 424.30 460.95 460.54 465.30 465.89 + 0.15 - 0.30 465.45 464.30 269,000

Sept. 28 1957 437.36 424.41 460.95 460.54 465.30 465.89 + 0.15 - 0.30 465.45 464.30 269,000

Sept. 29 1957 462.49 460.27 465.25 465.10 465.95 465.95 + 0.20 - 0.30 465.57 462.10 261,000

Sept. 30 1957 462.53 459.57 460.95 461.30 463.87 463.87 + 0.35 - 0.30 465.00 462.30 264,000

Sept. 31 1957 462.44 460.94 464.97 463.73 469.85 469.85 + 0.46 - 0.20 465.97 467.15 264,700

RAILROADS

Sept. 27 1957 132.33 132.37 134.17 132.97 134.06 134.13 + 1.35 + 1.00 134.80 132.90 64,500

Sept. 28 1957 132.79 132.77 132.03 132.97 132.31 132.87 + 0.30 + 0.18 134.34 131.30 112,400

Sept. 29 1957 132.04 132.31 134.17 134.12 132.85 132.85 + 2.41 + 1.29 135.51 131.94 117,300

Sept. 30 1957 132.13 132.13 132.19 132.19 132.58 132.58 + 0.35 + 0.35 135.80 132.50 117,300

Sept. 31 1957 132.76 136.80 136.16 136.78 135.31 134.33 + 0.13 - 3.21 137.94 133.60 161,100

UTILITIES

Sept. 27 1957 66.52 67.07 67.07 67.05 67.05 67.05 + 0.15 + 0.20 67.40 66.84 40,500

Sept. 28 1957 66.79 66.77 66.73 66.91 66.92 66.78 + 0.12 + 0.18 67.10 66.81 40,500

Sept. 29 1957 67.10 67.16 67.16 66.88 66.88 66.88 + 0.23 + 0.20 67.30 66.41 35,500

Sept. 30 1957 67.18 67.11 66.95 66.99 66.92 66.92 + 0.38 + 0.57 67.33 66.60 41,500

Sept. 31 1957 67.35 67.35 67.35 67.17 67.17 67.17 + 0.79 - 1.17 67.54 66.83 46,500

STOCK COMPOSITE AVERAGE

Sept. 27 1957 136.74 136.60 137.79 137.62 137.62 137.62 + 0.37 + 0.23 138.40 135.83 345,700

Sept. 28 1957 137.04 136.53 138.06 138.00 138.00 138.00 + 0.13 + 0.18 137.71 135.96 414,000

Sept. 29 1957 138.55 138.43 138.55 138.43 138.55 138.55 + 0.12 + 0.15 138.71 135.94 317,500

Sept. 30 1957 138.55 138.55 137.43 137.83 137.83 137.83 + 0.35 + 0.35 138.71 135.94 317,500

Sept. 31 1957 139.78 139.35 139.02 138.00 138.00 138.00 + 0.43 + 0.12 139.02 136.50 374,000

CLOSING AVERAGE PRICES

INDUSTRIALS RAILROADS UTILITIES

High Low High Low High Low

Sept. 27 1957 437.36 424.30 132.33 132.03 66.52 67.07

Sept. 28 1957 462.49 460.27 132.79 132.77 66.79 67.07

Sept. 29 1957 462.53 459.57 132.04 132.31 66.79 67.07

Sept. 30 1957 462.13 459.57 132.13 132.13 66.88 67.07

Sept. 31 1957 460.94 464.97 132.76 136.80 67.10 67.16

OCTOBER

High Low High Low High Low

Oct. 1 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 2 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 3 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 4 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 5 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 6 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 7 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 8 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 9 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 10 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 11 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 12 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 13 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 14 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 15 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 16 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 17 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 18 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 19 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 20 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 21 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 22 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 23 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 24 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 25 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 26 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 27 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 28 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 29 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 30 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 31 1957 460.92 44.65 132.37 132.37 66.52 67.07

OCTOBER

High Low High Low High Low

Oct. 1 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 2 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 3 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 4 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 5 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 6 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 7 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 8 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 9 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 10 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 11 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 12 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 13 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 14 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 15 1957 460.92 44.65 132.37 132.37 66.52 67.07

Oct. 16 1957 460.

## Steel Makers Expect 1957 Production to Exceed 1956; Orders for Fabricated Structural Fall to 4-Year Low

Poll of Market Researchers Puts Average 4th Quarter Operating Rate at 86.5%

By EDWARD J. LALLY

*Staff Reporter of THE WALL STREET JOURNAL*  
PITTSBURGH—The steel business is moving along in a rut that's disappointing many producers, but the industry's leading market authorities are betting on a fourth quarter comeback which they believe will lift production above last year and close to 1955's record.

An organized poll taken among commercial research executives of more than dozen big steel companies turned up fourth quarter operating rate predictions that ranged from 81% to 89% and averaged around 86.5%.

That's four percentage points higher than last week's scheduled production rate and nearly six points above the average of the third quarter to date.

The same poll, it has been learned, brought estimates from the market authorities that the year's output would range from about 114,800,000 tons to more than 117 million. The average was understood to be a little over 116 million tons, a total which would surpass 1956 production of 115 million tons but fall somewhat short of 1955's peak 117 million.

Companies producing about 90% of the nation's steel were understood to have participated in the poll.

The results showed that at least in the views of the men whose main job it is to study, evaluate and predict steel market conditions, the steel business isn't going to be quite as bad as some recent events have indicated, nor as good as the market officials themselves previously thought it would be.

Few if any steel men attempt to conceal any longer their disappointment over the failure of orders to pick up satisfactorily from the summer doldrums, or the inability of the steel rats to move out of the groove it has been in since the first of July. In the 13 weeks that have elapsed since then, operations have held in the range of 78.5% to 82.5%, the latter the scheduled rate for last week.

Sharp and widespread breaks in the steel scrap market, particularly in the past week or two, have deepened the feeling that ingot production isn't going to bounce back merrily to the high 80's or low 90's that made up many of the predictions of a few months ago.

### Differences of Opinion

But differences exist even among executives in individual companies on the prospects for the next several months. Generally agreed, though, is that the steel buyer is dominant and that he is convinced he can get all the steel he needs simply by "pushing a button," as one mill man here put it.

"The present period is marked by mixed emotions on the part of steel men," said a district producer. "A lot of people feel that 118 million to 116 million tons will be the year's output. Yet others, who don't see the orders,

can't see that much production. Even within our own organization there's a great deal of controversy."

Another steel maker, while professing optimism for November and December, said the present market "is not jelling as we expected." "Automotive steel buying is the key," he said, "but we did expect the auto people to order more than they have so far. They're counting on quick deliveries (of steel) and keeping their inventories low."

### A Few Items Still Tight

Only exceptions to the plentiful supply situation are wide flange beams, among the structural steels, and heavy steel plates. Mills expect those products to remain tight at least through the balance of the year, although one producer said he "wouldn't be surprised" if heavy inventories were being built up in both items.

Mills, some with extensive stocks of semi-finished steel built up, are geared to make quick deliveries on most other products. "All lead times (the period between the placing of an order and delivery) are cut to the bone," said a steel sales executive.

The listlessness in steel has carried over into the steel scrap market and has been magnified there. Scrap dealers the country over are withering in a dry spell of mill scrap buying. The mills just aren't interested in dealer scrap for the time being. They say they have plenty of scrap in their own yards to sustain furnace operations at the current rate, and are getting in sufficient scrap from their own or customers' plants to replace losses.

In addition, many steel producers are using greater charges of iron in steel making furnaces. Iron output from blast furnaces has been maintained this year at a higher rate than the open hearths which make steel.

### Scrap Prices Drop

In the absence of open market scrap purchasing by the mills, scrap prices dropped in various steel centers last week on the basis of sales of auto factory scrap to dealers. High grade No. 1 industrial bundles plummeted in Pittsburgh to between \$42 and \$47 a ton from a price of around \$58 the month before. Declines in industrial scrap prices also occurred in Cleveland, Detroit and other cities.

Scrap men keep close eyes on the steel operating rate for indications of possible improvement in their business, but there's not likely to be much to cheer about this week, on that score, at least in the Pittsburgh and Youngstown districts.

Pittsburgh steel production is scheduled at 85.1%, down from last week's actual rate of 85.1%.

In Youngstown, with two more open hearths taken out of production, the rate is expected to slip to 75% from the 76%-77% of last week.

## National Airlines Says New Planes Will Aid Profits in Fiscal '58

Carrier's Four-Engine Fleet Will Be Increased by 50% for Winter Season, Official States

By a WALL STREET JOURNAL Staff Reporter  
NEW YORK—New aircraft to be put into service within the next few months are expected to help raise fiscal 1958 earnings of National Airlines, Inc., above fiscal 1957, Alexander G. Hardy, senior vice president, said at a press luncheon.

Earnings are expected to respond to the addition of more passenger space when 10 new airplanes go into use, Mr. Hardy explained. National earned \$3,133,499, or \$3 a share, on operating revenues of \$36,823,471 in the fiscal year ended June 30.

Under its present expansion program, Mr. Hardy noted, National will increase its four-engine fleet by 50% by the heavy winter tourist season. The airline already has received commitments for more than \$30 million in bank loans to finance part of its \$115 million expansion program, he said.

Mr. Hardy said he could not forecast first quarter earnings because of the present strike of airline agents against National. However, he said earnings for the first two months of the quarter were ahead of the year-earlier period. National earned 33 cents a share in the first quarter of fiscal 1957.

"Our future for this winter looks good," Mr. Hardy said. Bookings on the New York to Miami route currently are about 15% ahead of this time last year, an official noted. Mr. Hardy also said National operated in the black during the past summer. The company had been losing money in the summer on its routes to Florida.

Mr. Hardy expressed confidence that National's application to the Civil Aeronautics Board to extend its service into the Chicago-Detroit-Pittsburgh-Cincinnati area would be approved. He also said the airline's present expansion plan puts it in "an excellent position" to serve that area. National's present routes are predominantly along the East and Gulf Coasts.

National is basing its plans for the future on present air rates, Mr. Hardy said. Although he said "we would certainly take it if we could get it," he added that National is not one of the better examples of an airline that needs a rate increase. National has not applied for a rate hike, he noted.

NATIONAL AIRLINES, INC.: Pamphlet report for the fiscal year ended June 30:

Year-end per share	\$3.00	1957	1956
Operating revenues	\$6,823,471	55,468,448	48,116,468
Net after taxes	5,906,499	8,933,610	8,356,278
Income taxes	2,793,000	4,442,243	3,380,500
Net before taxes	3,113,499	4,499,367	3,975,778
Capital charge	192,224		
Net income	3,113,499	4,309,143	3,975,778

\*Includes profit on sale of capital assets (net) of \$44,982 in 1957, \$86,215 in 1956 and \$130,757 in 1955. \*\*Includes adjustment of mail pay for prior years less taxes.

Balance sheet items of National Airlines, Inc. follow:

Cash	\$4,000,000	\$4,857,732	\$7,469,533
U.S. Govt securities	1,993,750		2,000,000
Current assets	11,079,814	16,643,606	14,363,648
Current liabilities	10,723,585	11,723,585	9,840,153
Current assets less	3,356,231	4,920,021	4,520,000
Capital shares	1,044,177	1,037,983	1,022,077

\*Revised by company.

Business Loans Rise in West

SAN FRANCISCO—The sharpest weekly rise reported this year by Twelfth District member banks pushed industrial and commercial loans outstanding to \$4,555,000,000, a new record, the Federal Reserve Bank of San Francisco reported.

Corporate tax payments due Sept. 15 may account in part for the \$67 million increase in business loans outstanding on Sept. 18, the Federal Reserve Bank said.

GE Unit Boosts Its Phenolic Compound a Cent a Pound

GE's manager of the department, announced in Pittsfield, Mass.

Phenolic compounds, used in molding such plastic items as electrical switchgear, automotive ignition systems, and appliance and machinery parts, will cost 21½ cents a pound for standard, general purpose grades in truckload quantities.

Mr. Brous, said the price boost was caused by "the continually rising costs of containers, transportation, labor and other required raw materials."

## August Bookings Tailed '56 By 38% and 8-Month Total Is Down 23%

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Orders for fabricated structural steel in August continued their sharp decline below year-earlier levels to the lowest monthly level since the fall of 1953.

New orders for the first eight months this year are running 23% below the similar period of 1956, according to the American Institute of Steel Construction. Checks with steel makers and fabricators indicate the main reason for the drop is curtailed construction of industrial plants.

In August, new bookings fell more than seasonally to 167,083 tons, 38% below August, 1956, the sharpest monthly decline from year-ago tons so far this year and the eighth straight drop from year-ago marks in 1957.

### Shipments Hold Above '56 Totals

At the same time, however, shipments of structural, a key item in all heavy construction, are well above those of last year. In August, shipments rose to a record 333,133 tons, and for the first eight months totaled 2,454,757 tons, 17% higher than the 1956 total for the similar period.

The result has been a continued slimming of order backlog of steel available for fabrication to 2,962,000 tons, or 4% below last August. This contrasts with the backlog level last June, which stood 13% above June, 1956, at 3,219,908 tons, and the May level of near 3,400,000 tons.

A typical opinion, expressed by W. F. Sheets, president of Mahon Co., a Detroit fabricator, related that industrial building has "just about dried up" but bridge work, the other major activity his firm engages in, is holding up at about last year's levels. Like many fabricators, including some of the largest steel makers, Mr. Sheets expects next year to bring increased orders as the Federal highway program passes the engineering stage.

### Competition Gets Keener

Says an official of Allied Structural Steel Co., Chicago: "Competition among fabricators is getting keener. Profit margins are a lot closer now than at this time last year. We haven't passed on all of the steel price increase of July 1."

In addition to a drop in plant construction, officials of two of the largest steel producers said they noticed declines in steel going to builders of freight cars and railroads, and warehouse fabricators' inventory as well as

some weakness in new apartment house and office building construction in areas outside of the Eastern seaboard.

While no producer or fabricator queried indicated a quick change in the pattern of bookings for structural steel, some felt road building next year will reverse the trend. The American Road Builders Association figures only 55%, or \$900 million of the \$1.8 billion of Federal and state funds obligated in fiscal 1957 to June 30 went to dig, pave and build bridges on new highways. But this fiscal year, \$1.9 billion will go into construction contracts, a jump of over 20%. The rest of the money goes into planning, blueprints and land acquisition.

Most of the structural steel makers' and fabricators' woes derive from the drop in plant construction. For the first seven months of this year, factory building fell 9% from a year earlier, to \$1.4 billion, according to F. W. Dodge Corp.

### Shipments to Rise This Year

But with other heavy construction projects running well ahead of last year, and a heavy backlog built up over the last year still to be worked off, the American Iron & Steel Institute estimates shipments of heavy structural shapes this year will approximate 4,700,000 tons, a 25% gain over the total last year.

These gains reflect the expansion of steel mill capacities in the items used by builders. Bethlehem Steel Corp., for example, has finished a program that doubles its capacity for producing structural to 210,000 tons a month while Inland Steel Co. is planning to expand its capacity for wide-flange steel beams from 22,000 to 28,000 tons monthly to about 34,000 tons by the end of next year.

The construction industry—not including gas and oil industry construction—is the third largest customer of the steel mills in the U.S., according to industry figures, and buildings and road work are second largest end use of steel. The automobile makers are the biggest users, taking 23% of total 1956 domestic shipments of finished steel. Warehouses are second, taking 17% and construction third with about 13%. But significant amounts of steel shipped to warehouses is bought by contractors and builders.

Beside structural shapes, mostly columns and beams, builders use concrete reinforcing bars and wire, plates, pipe and piling. Shapes and piling, a spokesman for the American Institute of Steel Construction said, amount to about 7% of the 7.8 million tons of steel shipped last year in the U.S.

### First Security Corp.

WASHINGTON—The Federal Reserve Board approved the acquisition by First Security Corp., Salt Lake City, of Utah Bank & Trust Co., there.

First Security, a bank holding company, had to obtain the Board's consent to acquire the 25,000 outstanding Union Bank & Trust Co. shares of Utah Bank & Trust Co. in exchange for 10,000 shares of First Security's stock.

## Sales Executives

### Market Research Director

A new position requiring experience with proven ability in developing merchandising recommendations as well as research activities.

### Fleet Sales

Extensive experience necessary in selling high dollar volume products to top management.

### Regional Sales Manager

Requires several years experience in retail and distributor-dealer selling.

Aviation-flying experience preferred.

**Cessna**

Write Professional Placement Supervisor,  
CESSNA AIRCRAFT COMPANY,  
5800 East Pawnee Road, Wichita, Kansas

### AN ENVELOPE FOR EVERY PURPOSE

OVER 10 MILLION ENVELOPES IN STOCK

ALL SIZES & DESCRIPTIONS FOR YOUR REQUIREMENTS

DISTANCE NO BARRIER - FAST SERVICE

EXPERTS IN ALL TYPES OF PRINTING

### BUY DIRECT and SAVE!

Thermography Specialists

FREE! BEAUTIFUL CARD HOLDER

1000 BUSINESS CARDS

These cards are featherweight, with raised printing. Black ink only.

Send check with your order.

3% Sales Tax in N.Y.C. only.

5.95

per

5000 ENVELOPES  
With your name and address printed Sub 2¢  
White Wave, 3½ x 6½  
(4½)  
In 5000 lots — POB, N.Y.C.  
Quantities for larger quantities on request

ACCURATE ENVELOPE COMPANY Inc.

22-22 Reade Street, New York 7, N.Y. • Phone EEdward 3-3250



## Rivers of bleach with banks of glass

Glass bottles were once so rare that their use was reserved by law for the fragrant perfumes of the queens of Egypt. Today, vastly superior glass containers form the "banks" of